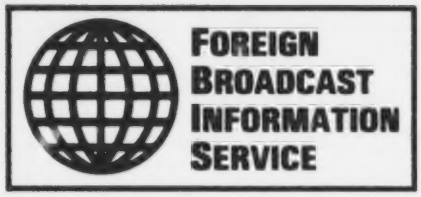

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Yeltsin To Resign 'Within the Year'

Russian President Boris Yeltsin, speaking at a sausage plant in "an area northwest of the capital," said as soon as he "sees that Gaydar's team is strong enough to make it possible for me to quit the post of chairman of the government, this will be done," ITAR-TASS reports. Yeltsin stated his departure from the post will "take place in a few months, certainly within the year."

Ukraine's Kravchuk on Nuclear Status

ITAR-TASS reports that Ukrainian President Leonid Kravchuk claimed that Ukraine "prioritizes destroying all nuclear weapons" and will "in the future...become a non-nuclear, non-aligned state." He asserted "there are no tactical nuclear weapons on its territory and strategic weapons are being destroyed." However, commenting on Russian President Boris Yeltsin's upcoming talks on arms reduction with U.S. President George Bush, Kravchuk stated their discussion should be confined to weapons on Russian soil for "Ukraine did not authorize Boris Yeltsin to discuss weapons stationed on its territory."

Cease-Fire Agreement Reached on Ossetias

Russian Television reports that Eduard Shevardnadze, chairman of the Georgian State Council, and Akhsarbek Galazov, chairman of the North Ossetian Supreme Soviet, held a meeting and reached a number of agreements in an attempt to find a solution to the conflict in the Ossetias. The agreement included "an immediate cease-fire in the conflict zone," and the creation of a group of observers by 12 June with the participation of a peacekeeping group composed of Afghan war veterans.

Moscow Television reports that Tskhinvali, in South Ossetia, is being shelled "practically around the clock." Radio Rossii, however, reports that "the cease-fire is holding" in the area. It cites NEGA agency reports that say that although there has been idividual shoot-outs, "there have been no large-scale missile shellings."

Russian Privatization Program Adopted

ITAR-TASS reports the Russian Supreme Soviet adopted the 1992 program for state and municipal enterprises which "aims to create a sector of private owners facilitating a transfer to a market-oriented economy." It will increase production output, ensure social welfare and develop a social infrastructure, "foster competition," and "attract foreign investments." Russian citizens will get vouchers "issued with their names on them in the fall" and will enable each person to "be a proprietor, irrespective of whether one is working, is a pensioner, or serviceman," according to Moscow TV. It is expected "that the republican budget will receive 91 billion rubles" from this program.

Ukraine To Become Nonnuclear, Nonaligned State

LD1106220792 Moscow ITAR-TASS in English 2128 GMT 11 Jun 92

[By UKRINFORM correspondent Ivan Sayko]

[Text] Kiev June 11 TASS—The Ukrainian president's first visit to France will be held on June 16 and 17, Leonid Kravchuk told reporters today.

During the visit Kravchuk will meet President Francois Mitterrand and sign several bilateral agreements.

Asked about cutting nuclear weapons Kravchuk stressed that Ukraine prioritizes destroying all nuclear weapons. In the future Ukraine shall become a non-nuclear, non-aligned state, he said.

There are no tactical nuclear weapons on its territory and strategic weapons are being destroyed, he said.

"I know that Russian President Boris Yeltsin will be discussing with U.S. President George Bush during his visit to the United States further cuts in offensive nuclear weapons," Kravchuk said.

"Ukraine supports such moves. However, the Russian side will be discussing reducing weapons stationed on its territory. Ukraine did not authorize Boris Yeltsin to discuss weapons stationed on its territory," he said.

Commenting on Western concerns about relations between Russia and Ukraine, Kravchuk said the two countries should have friendly, equal relations.

These are possible under two conditions. First, "not to tear out from our broad relations individual sharp issues, such as the Crimea or the Black Sea Fleet, but base these relations on a political basis, as relations between the two states. Second, Russia should unconditionally recognize Ukraine as an independent state, treat Ukraine like, say, France, Germany or Britain," he said.

"Exclude from Russia's political actions any pressure, including territorial claims," he said.

At the meeting with Boris Yeltsin, this month, it is planned to discuss a wide range of issues connected with relations between the two states. Ukraine wants democratic processes in Russia to expand. On its side, Ukraine has not made a single step which can be regarded as interference in Russia's internal affairs.

From July 1 Ukraine will begin a planned withdrawal from the "rouble space", Kravchuk said.

Gorbachev Urges Nuclear Powers To Stop Testing

LD1106224992 Moscow ITAR-TASS in English 2132 GMT 11 Jun 92

[Text] Moscow June 11 TASS—ITAR-TASS today received an appeal by former Soviet president Mikhail Gorbachev to the leaders of countries possessing nuclear weapons, urging them to stop nuclear testing. Following is the full text of the appeal:

"Mikhail Gorbachev's appeal to the leaders of countries possessing nuclear weapons—George Bush, Boris Yeltsin, Francois Mitterrand, John Major, and Yang Shangkun.

As a person whose efforts helped to launch the process of nuclear disarmament, I regard it as my right to appeal to you, my former partners, urging a complete cessation of nuclear weapons tests.

The profound changes that have occurred in the world over the past several years have significantly undermined the role of nuclear weapons as a factor in contemporary world politics. The global nuclear threat, which was a product of the cold war, has for all practical purposes disappeared.

In the past, the principal argument for continuing nuclear testing was that nuclear weapons had to be kept operational and improved qualitatively—as a "deterrent" and in order to keep up with the 'adversary'. An additional argument used for some time was that controlling low-yield underground explosions was impossible. Both of these arguments are no longer valid.

What is more, it is becoming increasingly clear that qualitative improvement of nuclear weapons would make meaningless their quantitative reductions—reductions that everyone now agrees are necessary and that the United States and Russia are already undertaking.

Continued testing by nuclear powers weakens the nonproliferation regime, since near-nuclear states can point out that everyone has a right to act in accordance with the principle of sovereignty. But the renunciation of testing by nuclear powers, made legally binding under international law, would create a barrier that those who would like to acquire nuclear weapons would find it hard to penetrate.

Finally, it is clear that underground tests, despite all precautions, cause grave damage to the environment. I am referring not only to accidental discharges of radioactive substances but also to the remote consequences of nuclear tests, about which little is known so far.

All of this prompts me to put before you the following question: Is this not the time for a complete prohibition of nuclear testing? I believe that the international situation now makes it possible to do so. Such step would speed up the transition to a new world order, which would also facilitate the resolution of issues involved in regional conflicts.

[Signed] Mikhail Gorbachev

[Dated]June 10, 1992

Reactor Closure May Damage Russian Economy

LD1106132492 Moscow ITAR-TASS in English 1227 GMT 11 Jun 92

[By ITAR-TASS correspondent Veronika Romanenkova]

[Text] Moscow June 11 TASS—A group of experts of the Russian Academy of Sciences, led by Vice President Yevgeniy Velikhov, has proposed to close ahead of schedule reactors at some Russian nuclear power stations for safety reasons. The reactors include the third and fourth units of the Novovoronezh nuclear power station, the first and second units of the Kola, Kursk and Leningrad nuclear stations, and then third and fourth units of the Kursk and Leningrad stations and the first, second and third units at the Smolensk station.

However, ITAR-TASS was told on Thursday [11 June] at the Russian Ministry for Nuclear Energy that the closures may cause 642 billion dollars' worth of damage to the national economy.

Preliminary estimates show that these stations, designed to run for 30 years, must generate 1.426 trillion kilowatt hours before reaching that limit. The cost of energy at current prices (1 kilowatt hour—50 kopecks) will amount to 2.140 trillion rubles.

Therefore the Nuclear Energy Ministry is convinced that these reactors cannot be closed down ahead of schedule. Safety systems of these nuclear stations will ensure their normal functioning, they believe.

For example, the first reactor of the Leningrad nuclear power station was completely overhauled to replace the reactor fuel channel and to modernise the safety systems and protection control systems. These measures are designed to enhance safety of the first reactor of the Leningrad power station. Similar operations are under way at the second reactor of the Leningrad nuclear power station which was closed down for major repairs. Next in order are the Kursk and Smolensk nuclear stations.

Investigation Into Radiation Levels Approved

LD1106160492 Moscow ITAR-TASS World Service in Russian 1234 GMT 10 Jun 92

[By ITAR-TASS correspondent Lyubov Dunayeva]

[Text] Moscow, 10 Jun—A work program for additional investigation of radiation levels on the territory of Russia has been approved by an order of the government of the Russian Federation. It entails compiling maps of radioactive pollution on the territory of Russia and finding and decontaminating polluted areas in towns, industrial centers, and popular vacation spots.

The document also envisages the compilation of a priority list of districts and populated areas for investigation, the elaboration of uniform requirements to monitor the effectiveness of decontamination, a number of other measures to rehabilitate areas with high levels of radiation pollution, and the salvage of materials polluted by radioactivity.

The work will be financed by the Russian Ministry of Finance. The order was signed by Yegor Gaydar, first deputy chairman of the Russian Government.

Scientists Propose Underground Nuclear Station

LD0606103492 Moscow ITAR-TASS World Service in Russian 1614 GMT 5 Jun 92

[By ITAR-TASS correspondent Anna Shcherbakova]

[Text] St. Petersburg, 5 Jun—St. Petersburg scientists have proposed a project for an underground nuclear electric power station at which serial ship's reactor installations can be used as power generating units.

"Nuclear power engineering started with underground stations. They were built early in the 1960's, for instance in Norway, Switzerland, and France," an ITAR-TASS correspondent was told by candidate of technical sciences Ernest Petrov, head of the project. "Such a design is expensive to build but has great merit from the point of view of ensuring biological protection. It is proposed that the station be situated at a depth of 70 to 100 meters. Burial chambers for radioactive waste will be located at a depth of over 500 meters. In case of accident the rock or soil would serve as an additional barrier against the distribution of the energy carrier and of radioactive substances."

The combination of the systems of processing and storage of radioactive waste in a single complex with the station is fundamentally new in the concept. It rules out the possibility of the environment being contaminated during the transportation of the spent fuel. The waste could be stored in hermetically sealed underground workings immediately adjacent to the reactor for 70 to 100 years. When the station is taken out of operation the mothballing of its radioactive equipment will be carried out in the underground workings. The design is based on ship's reactor installations which are used on atomic icebreakers and military vessels.

It is calculated that the construction of the underground electric power stations may take five to eight years. The underground siting makes it possible to build them near large towns, which are the main consumers of power.

Angara Experts Plan Production of Refractories

LD1006161992 Moscow POSTFACTUM in English 1147 GMT 10 Jun 92

[From the "Politics" section]

[Text] Irkutsk—The Angara uranium-enrichment factory and the Irkutsk private joint-stock company Magir plan to organize the joint production of super-hard refractories. Magir staff told PF [POSTFACTUM] magnesites from the Larchinsk field in the Chita region are

planned to be used as raw material. The projected capacity of the joint enterprise's first stage is from 20,000 to 50,000 tonnes per year.

Explanations Cited for 'Homeless' Warheads

PM1106095492 Moscow KRASNAYA ZVEZDA in Russian 11 Jun 92 p 1

[Report by correspondent Colonel V. Usoltsev: "Nobody Lost Any Nuclear Warheads, and Vladimir Desyatov, Representative of the Russian Federation President in Khabarovsk Kray, Made No Statements to That Effect"]

[Text] Khabarovsk—A number of newspapers published a report from the POSTFACTUM agency that 23 nuclear warheads had disappeared in the Far Eastern Military District. The Far Eastern Military District command apparently knew nothing about it. Later POSTFACTUM, citing Vladimir Desyatov, representative of the Russian Federation president in Khabarovsk Kray, offered the clarification that the "homeless" warheads may belong to the Navy and come from the unfinished nuclear submarines at Komsomolsk-na-Amure's Lenin Komsomol Plant.

I personally was surprised by this report because Desyatov himself, not so long ago, used to work at that plant as a design engineer. And he could not help knowing that there are hardly likely to be nuclear missiles on "unfinished submarines."

Desyatov was in Komsomolsk-na-Amure. My first telephone conversation was with his assistant Mikhail Che.

"It is true that the Russian president's representative Desyatov and a special commission found these warheads," Mikhail Aleksandrovich confirmed, to my surprise. "Whom they belong to has not yet been established"

"Where exactly in Khabarovsk Kray was this?"

"Not far from Komsomolsk. Where precisely? I cannot tell you that yet."

So the enigmatic story "unfurled." But on Tuesday morning I at last succeeded in talking with Vladimir Desyatov himself by telephone.

"I gave no interviews about this to any news agency or newspaper," he stated immediately, when I told him the purpose of the conversation. "My 'statement' about 23 nuclear warheads lost by the military is the fabrication of idle journalists. Only someone who was either permanently drunk or not in his right mind could make such a statement."

"Vladimir Mikhaylovich, how are we to assess the statement by your assistant Mikhail Che that you did find the warheads?"

"Obviously Mikhail Aleksandrovich expressed himself inaccurately. He knows that I did indeed say previously that there were nuclear warheads in the armory of a certain unit, and that they are not there now. They have been moved to another storage facility, which I have no doubt is safe. I have seen with my own eyes, as they saying goes, that they are not now in the vicinity of Komsomolsk. They have not been mislaid, as certain publications are trying to tell their readers, but, I repeat, they have been removed for storage in a different special facility."

At the end of our conversation the Russian president's representative repeated that he had made no irresponsible statements about nuclear warheads and had no intention of making any such statements.

That is the whole story.

CAFE Treaty on Manpower Limitations Discussed

LD1206060992 Moscow ITAR-TASS World Service in Russian 1307 GMT 11 Jun 92

[By ITAR-TASS correspondent Vladimir Smelov]

[Text] Vienna, 11 Jun—Issues involving an agreement limiting the manpower of the conventional armed forces of states participating in the Vienna talks on Conventional Armed Forces in Europe [CAFE] were under intense discussion at a plenary sitting of the forum held here today.

The agreement, on which work has been going on for over a year already, is intended to be a substantial adjunct to the treaty on conventional armed forces in Europe, signed at the CSCE Paris summit in November 1990, and to form an "integral composition" with it. The main point of the manpower agreement is that, as a result of its being achieved, all the participating states, without exception, will assume a political commitment to limit the manpower of their conventional armed forces to a national level that each of them will announce. It is for the sake of such a limitation that the document, which will undoubtedly promote the strengthening of security and stability in Europe, is being concluded.

As the discussion at the Vienna forum shows though, some of its participants are now trying to solve, through the manpower agreement, a number of side issues that are often not only out of keeping with its aims but also go beyond the framework of the mandate for the current talks. This is manifested with particular clarity in such areas as the involvement of personnel in the exchange of information and limitations and questions of control [kontrol]. A strange situation has arisen: On the one hand, everyone agrees that the monitoring [kontrol] of manpower numbers by means of a head count is an unrealistic task. Incidentally, the problem has been discussed in detail but without success in all possible ways during the many years of talks on reducing armed forces and armaments in Central Europe. On the other hand, some delegations are seeking to fit into this unrealistic task a scheme for exchanging data in the manpower agreement, a scheme that many experts regard as being excessively detailed and complex, sharply out of keeping with the content of an agreement that is clear in its objectives.

Russian delegation leader Vladimir Shustov told ITAR-TASS that the delegation objects to the manpower agreement's covering more and more elements that have no connection with conventional armed forces, which are considered within the framework of the CAFE treaty. This concerns the Navy's land-based elements apart from those that are connected with the CAFE treaty, as well as internal troops and a number of other elements. The subject of a future agreement, he continued, is an accord on the nonexceeding of national levels for the numbers of conventional armed forces of the states in the area of application, which will be achieved in 40 months after the coming into force of the CAFE treaty and will have to be observed henceforth. It follows logically from this that in the manpower limitation agreement there should be no consideration of any kind of assessment either of existing personnel numbers or of the process for achieving the final levels. All that should be assessed is observance of the national level of limitations, the diplomat indicated.

At today's plenary sitting, the Russian delegation circulated a document setting out its position on various aspects of the exchange of information. Moreover, it was stressed that the proposed scheme for the exchange of information was a fair compromise that took account of an absolute majority of the ideas and wishes voiced during the talks. The hope was expressed that the proposal, if adopted, would make it possible to render the work of the talks more intensive, and to complete the preparation of the text of the agreement by the appointed time, namely before the CSCE Helsinki summit.

Foreign Journalists in PRC Protest 'Violence'

PM1006144792 Moscow IZVESTIYA in Russian 9 Jun 92 Morning Edition p 4

[Yuriy Savenkov report under the "From Our Correspondents and News Agencies" rubric: "Protest by Foreign Journalists in Beijing"]

[Text] Beijing—The association of foreign journalists accredited in Beijing has made a decisive protest at the "irresponsible, unjust, and unprovoked violence" against correspondents whose professional duty is to cover events in China.

The association is asking for an investigation to be conducted and for appropriate juridical sanctions to be taken against government employees involved in them. Protests have also been made in Beijing by the U.S., Canadian, German, New Zealand, and Japanese Embassies. They are demanding an explanation for the actions of public safety employees.

Ex-KGB Chief on Kennedy Assassination

LD1006145792 Moscow ITAR-TASS in English 1311 GMT 10 Jun 92

[By ITAR-TASS correspondent Sergey Sosnovskiy]

[Text] Bonn June 10 TASS—KGB took no part whatsoever in the organisation of the assassination of President John Kennedy", ex-chief of the KGB Vladimir Semichastniy said in an interview with the German magazine DER SPIEGEL.

Semichastniy headed the KGB when the tragic events unfurled in Dallas, Texas.

Asked when the KGB first came across Lee Harvey Oswald, Semichastniy said: "When our counter-intelligence chief reported that Oswald asked us for political asylum", I.E. about two years prior to the assassination.

"We arrived at a conclusion that Oswald was a common person of little interest".

Oswald spent some time in Moscow and was later transported to Minsk where he lived under local KGB surveillance. The Oswald file contained mainly "trivial things: love affairs, dancing sprees and picnics with a girl-friend".

According to Semichastniy, Oswald could not be the central figure in the assassination of Kennedy. "He is a stooge, a sort of lightning rod in a much more serious operation", which "was brilliantly arranged", Semichastniy said.

Eight U.S.-Built WWII Aircraft Discovered

LD1106093292 Moscow ITAR-TASS in English 2042 GMT 11 Jun 92

[By ITAR-TASS correspondent Mikhail Shevtsov]

[Text] Moscow June 10 TASS—The "Ekipazh" (Crew), a Moscow based military-patriotic group, discovered eight American aeroplanes supplied to the former Soviet Union under a lend-lease agreement exactly fifty years ago, preserved in reasonably good condition, in the vicinity of the Petropavlovsk-Kamchatski district. These planes had taken part in combat missions during the World War II against Japan.

According to the "Ekipazh" leader Sergey Tsvetkov, who recently returned from an expedition to the Kuril Islands and the Kamchatka Peninsula, they found American war-planes "King Cobra", "Mitchels" and "Bostons", and also the Soviet made jet fighters "MiG-15", which are as rare in the country's museums as cannons of Napoleon's period.

On the Island of Shumshu, where the group worked several times, tens of Japanese KN-44, A6M, "Zero", KT-99 and other planes were discovered. These finds will not only replenish our and foreign museums with the rarest exhibits of technology, but will also open many unknown pages of those men's fate who fought on these flying machines, Sergey said.

According to Sergey Tsvetkov, the group goes to battle sites of the World War II at the cost of interested parties, including foreign ones. The group plans to spend all its earnings on the restoration of the military hardware and the creation of its own museum. During ten years of their work these volunteers have established places of deaths of thousands of unknown soldiers and uncovered hundreds of military hardware. Some of these war relics have been donated to Russian museums.

Commonwealth

Work Under Way on Agenda of 26 Jun CIS Summit

LD1206102692 Moscow ITAR-TASS World Service in Russian 2154 GMT 11 Jun 92

[By BELTA correspondent Larisa Lazar for TASS]

[Text] Minsk, 11 Jun—Intensive work to draw up an agenda for the meeting of the heads of government scheduled for Minsk on 26 June is under way at the headquarters of the working group of the CIS Councils of Heads of State and Government. Most questions have already been studied and the appraisal of experts obtained. Positions still remain to be to be agreed on some issues. However, it is already possible to single out three blocks of problems, which will be the subject of discussion: the economy, ecology, and the armed forces.

As always, there will be an extensive block of economic problems. In particular, it is intended to discuss the coordination of activities to protect the interests of the ruble zone states in the event of national currencies being introduced. It is possible that the prime ministers will reach agreement on 26 June on integrated tariff regulation for passenger and freight traffic. In this connection it is planned to adopt appropriate documents, which would set an identical timetable for price alterations on these types of service. It is also intended to examine the agreement to divide up the nonmilitary ships which make up the merchant fleet of the former Union.

Participants in the summit will discuss the reciprocal obligations of the Commonwealth states to provide social benefits for those working in the Far North or equivalent areas.

The need to pool the efforts of the Commonwealth countries to improve the ecological situation was spoken of even in Tashkent. This topic will be a matter for the prime ministers' discussion. The main objective is to work out common approaches to the elimination of the consequences of the Chernobyl disaster and the Armenian earthquake, to the problems of the Aral Sea, and of preserving and using more rationally the bio-resourcecs of the Caspian Sea basin. In addition to specific aspects of the military topic, the heads of government will discuss social problems. In particular, it is intended to examine documents on medical aid to servicemen in the border troops and the members of their families. It is possible that the issue of financing the CIS border troops may be discussed.

Ways To Tackle Ethnic Conflicts Discussed

PM1206081692 Moscow ROSSIYSKAYA GAZETA in Russian 11 Jun 92 First Edition p 4

[Pavel Anokhin report: "What Divides Us"]

[Text] This was the topic under discussion at a scientific and practical conference held 9 June. Its subject was "Parties and Social Movements on Interethnic Conflicts in the CIS and the Russian Federation." Taking part in the forum were parties of communist orientation, the Socialist Party of Working People, the Social Democratic Party of Russia, the Liberal Democratic Party of the USSR, and the People's Party of Free Russia.

The conference participants tried to understand the causes of interethnic conflicts and clarify the positions and attitudes of parties and movements on ethnic conflicts and the forecasting of such conflicts. The discussion of topical problems began with a report from the sociological services. It seems that 30 percent of the population in each and every region of the country currently expresses the view that there is a possibility of interethnic conflicts arising in the regions where they live.

The wide political spectrum of participants in the conference predetermined an equally wide range of causes of interethnic conflicts. For instance, communist speakers see the causes in the breakup of the USSR, the rejection of Marxism, the distortion of nationalities policy, and the accelerated transition to the market and to American liberalism, while people's patriots see them in the decentralization of power and dismantling of state ownership, and also in the total incompetence of the Russian leadership. The socialists think that the roots of interethnic conflicts lie in the repressions perpetrated by the center against entire peoples, in forcible Russification, and in the artificial distribution of production forces. Sociology Professor Vilen Ivanov, citing the results of polls, stressed that 70-80 percent of the population see the causes of ethnic disunity in material living standards. Political and national factors come third and fourth respectively. "A new condition of society has developed—the situation of Russia's national shame and humiliating struggle for material survival," he stressed, "and this upsets people."

The speech by Vladimir Zhirinovskiy, leader of the Liberal Democratic Party, was emotional, as always. In his opinion the nationalities question is impossible to resolve at all, and especially so in Russia, where ethnic and religious questions are interwoven. Vladimir Volfovich believes that a way out of the crisis in interethnic relations can be found by establishing a democratic dictatorship. To this end it is necessary to disband all parties except one and abolish the republics, bringing in administrative divisions.

Apparently people in the auditorium were sympathetic to the idea of a strong-arm solution to the question, to one degree or another. Even Igor Averkiyev, representative of the Russian Social Democrats, saying that each specific interethnic conflict has to be tackled pragmatically, at a given time, and on a regional basis, stressed: "Russia must clearly find a means of resolving ethnic conflicts by strong-arm tactics in order to accelerate the country's emergence from the crisis of national problems." Of course, this implies any civilized means except military means.

On this subject, I would like to point out that the conference participants, while criticizing the Russian leadership and mass media for kow-towing to American liberalism, not infrequently held up as models both American and West European examples of the resolution of national problems by force. Many good things were said about Margaret Thatcher, with her approach to Britain's national interests being held up as an example.

But in general, of course, everyone talked about the democratic resolution of the nations' right to self-determination.

Baltic, Ukrainian Internal Affairs Ministers Meet

LD0506154492 Tallinn Estonian Television Network in Russian 1600 GMT 1 Jun 92

[Text] At a meeting of Latvian, Lithuanian, Ukrainian, and Estonian internal affairs ministers which took place from 28 to 30 May an agreement of cooperation was signed between the internal affairs ministries of Estonia and Ukraine.

Commission Assesses Declassifying Documents

LD0506121192 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1100 GMT 5 Jun 92

[From the "Novosti" newscast]

[Text] A special commission in charge of declassifying the documents of the USSR's and the CPSU's central bodies stated today that documents affecting the rights of individual citizens will not be made public. No wide-ranging revelations are expected, as was the case, for example, in Czechoslovakia and Lithuania.

Media

ITAR-TASS Carries Press Review 12 Jun

LD1206053192 Moscow ITAR-TASS in English 0451 GMT 12 Jun 92

["Press Review"—ITAR-TASS headline]

[Text] Moscow June 12 TASS—Newspapers highlight the Independence Day—a holiday observed in Russia for the first time today. KRASNAYA ZVEZDA carries a congratulatory message, sent by Russian defence minister, Army General Pavel Grachev to officers and men. "Let this holiday be observed against the background of the unification of the Army and the people, of the rallying of all true patriots of Russia," the message says. The newspaper also carries the text of the interview that President Yeltsin gave to the RIA news agency on the eve of the holiday. He said the main result of the first year of his Presidency was "the beginning of the economic reform not in words, but in deed".

NEZAVISIMAYA GAZETA points out that Russia's sovereignty is associated, in the first place, with the name of Yeltsin, but stresses that "of all the presidents of the CIS member states he is the most contradictory and unpredictable figure. He started the genuine economic reform, but at the very moment when the reform seemed to be working he all of a sudden stopped in hesitation and began to correct his own actions..."

KRASNAYA ZVEZDA does not share the view of other mass media organs concerning the latest changes in the Russian Government. It believes the appointment of specialists in practical economic activities will not change the reform course, "because changes in the government and the intentions connected with them are supported by the Russian president's stand." KRASNAYA ZVEZDA hopes the new deputy prime ministers will "perceptibly specify, centralise and simplify economic management. Personal responsibility will probably be toughened."

Newspapers continue to give wide coverage to the situation in the hotbeds of tension on the territory of the former USSR. SOVETSKAYA ROSSIYA and KRASNAYA ZVEZDA point to the complicated character of the Ossetian problem and the continuing tension in the region. They also report the decision of the North Ossetian Supreme Soviet (parliament) to prolong the state of emergency in the Republic and impose a curfew on Vladikavkaz. The commander of an armoured regiment deployed in Georgia suggested in an interview with NEZAVISIMAYA GAZETA that the Ossetian and Georgian sides "begin joint military patrolling" in the conflict zone near Tskhinvali.

Touching upon the situation in the Dniester region, NEZAVISIMAYA GAZETA writes that, despite the resolutions of the Moldovan parliament that give grounds for some optimism, armed confrontation is continuing. "A real threat of a guerrilla war has emerged. Armed groups not subordinated to anybody are continually provoking combat operations."

"The transport war has acquired the proportions of economic genocide," Ambartsum Kandilyan, head of the Armenian railways, said in an interview with NEZAVISIMAYA GAZETA. According to Kandilyan, Armenia's losses as a result of the transport blockade by Azerbaijan are running into 12 billion roubles—the sum comparable with the Republic's annual budget.

Tajik President Rakhman Nabiyev said in an interview with NEZAVISIMAYA GAZETA he was not responsible in any way for the recent developments in Dushanbe. He maintains that he continues to control the situation all over the Republic.

KRASNAYA ZVEZDA carries an interview with Colonel General Dmitriy Volkogonov, adviser to the Russian president on defence problems, who holds at the same time several other posts, in which he expresses his ideas about the future of Russia and the Commonwealth of Independent States, prospects of the reform and the

creation of the Russian Army. He touched in the interview upon his political activities as the leader of the "left-wing centre" parliamentary group and upon the work of the parliamentary commission on archives of the CPSU and the State Security Committee (KGB).

SOVETSKAYA ROSSIYA carries a complaint of Army General Valentin Varennikov, former commander of the ground troops of the Soviet Armed Forces and one of the defendants on the state emergency committee case, which he sent to the Russian parliament. The general, who is now under arrest, maintains he was not connected in any way with the preparation and staging of the August 1991 coup attempt and that "there was no conspiracy whatsoever with the aim to seize power." He asked the parliament to stop criminal proceedings against him.

NEZAVISIMAYA GAZETA writes about the biggest financial fraud in the history of Russia, as a result of which swindlers from the Chechen Republic stole some 25 billion roubles from the Russian Central Bank.

International Affairs

Kozyrev Leaves for Further Talks With Baker

LD1206083992 Moscow ITAR-TASS World Service in Russian 0748 GMT 12 Jun 92

[By ITAR-TASS diplomatic correspondent Georgiy Shmelev]

[Text] Moscow, 12 Jun—Russian Foreign Minister Andrey Kozyrev took off for the British capital this morning for another meeting with U.S. Secretary of State James Baker.

At their talks in Washington on 8 June, the heads of the two countries' foreign policy departments discussed two main issues: preparation for the forthcoming summit meeting in the United States and disarmament problems, primarily those concerning further steps to reduce strategic offensive weapons.

Whereas on the first point on the agenda, according to the two sides, an agreement was reached on virtually the whole range of questions which needed to be settled, they did not manage to reach an understanding on the second point, and this is what has required them to hold additional talks before the meeting between the Russian and U.S. presidents.

As Andrey Kozyrev told an ITAR-TASS correspondent on 11 June, an accord between the sides on further reductions in strategic offensive weapons is possible, but not on the basis of unilateral concessions.

Resolution 'Unlikly To Be Possible'

LD1206140492 Moscow ITAR-TASS World Service in Russian 1236 GMT 12 Jun 92

[By ITAR-TASS special correspondents Yuriy Levchenko and Georgiy Shmelev]

[Text] London, 12 Jun—The only subject in the meeting between the heads of the foreign policy departments of Russia and the United States, which is beginning in the British capital, is essentially to agree on mutually acceptable parameters for an outline agreement on the limitation of strategic offensive weapons. Russian Minister Andrey Kozyrev arrived here today for another meeting with Secretary of State James Baker, five days after his working trip to Washington. At that time, the sides did not manage to reach an accord on further reducing nuclear weapons; this led to the new meeting, bearing in mind a mutual willingness to compromise. The resolution of such a problem on some one-sided, uncompromising basis is unlikely to be possible. In the opinion of the Russian foreign minister, such an accord is possible, but not on the basis of one-sided concessions.

The talks between Andrey Kozyrev and James Baker will take place at the Russian Embassy. There are plans to hold a joint news conference on the results of the meeting afterwards.

U.S. Congress Passes Freedom Support Bill

PM1206134392 Moscow IZVESTIYA in Russian 12 Jun 92 Morning Edition p 5

[Aleksandr Shalnev report: "Russia Aid Bill Acquires Amendments in U.S. Congress"]

[Text] Washington—After many weeks of waiting, pondering, and simply delaying, on 10 June the House of Representatives of the U.S. Congress finally tackled the freedom support bill which provides for assistance to be given to Russia.

Just one hour after the start of the debate in the Foreign Relations Committee, the bill had acquired a dozen amendments and "amplifications," which in the majority of cases, define the terms for the United States to give this aid. In principle, the nature of the linkages was predictable: freedom of religion and emigration, adherence to arms control, guarantees that ethnic and inter-nation conflicts and disputes will be resolved only by peaceful means, an end to the blockade of Nagorno-Karabakh and the complete curtailment of any aid to Cuba, and much besides.

To judge from a statement by Committee Chairman Dante Fascell, he expects, in all, to "assemble about two boxes" of amendments. In actual fact, the bill gives congressmen an extensive field of action: If you so wish, you can add literally anything you want to the aid as a makeweight—obviously in the reckoning that Russia has nowhere to go anyway.

What struck me in these hearings was not only the abundance of amendments. I was struck by the fact that now, two and one-half months after the bill was submitted by President George Bush, who, incidentally, promised in public that the bill would be gotten through Congress and would become law in time for Boris Yeltsin's arrival in America, even now there is no clear idea either on Capitol Hill or in the administration of what, in fact, the purport of this document is or how much it will cost America itself.

Richard Armitage, who is directly in charge of questions of aid for the CIS countries at the Department of State, was unable to tell the legislators how much money the taxpayers will have to fork out. Neither the committee chairman nor, as I noticed from their questions, almost all his other colleagues knew this either. An awkward situation arose, until a State Department official suggested: "For the period through October next year—$620 million."

It is, in principle, a trifling amount. Democrat Stephen Solarz drew attention to just this, mentioning, for comparison, that at this year's prices the volume of aid which the United States allocated to West Europe under the Marshall plan totaled $77 billion, or almost 14 percent of the federal budget at that time. According to Solarz's calculations, the percentage of the present aid for Russia is 0.4 percent.

But, after emphasizing that "too little" aid is being allocated, Solarz added, first, that $620 million is "still a large amount" and he had not demanded any increase in it and, second, he submitted a whole series of amendments-conditions. In my view, Solarz's position is typical of the congressmen, who are faced with an election in November and who, naturally, will have to convince the voters of what they themselves would like to hear: Aid to foreign countries is a minor matter.

It is significant that the most active legislators in the hearings have been those who have already announced that they will not seek reelection and will quit Congress finally and irrevocably. It was they—in particular Dante Fascell and Republican Broomfield—who did all they could to emphasize the urgent need to adopt the bill, because otherwise, as one of them said, "we will have made a mistake of disastrous proportions."

In regards to mistakes, Richard Armitage has already admitted that he made one: I was wrong, he said in the hearings, to submit this bill to Congress as a foreign aid bill. I should have singled out something quite different—the fact that this bill will, in the final analysis, pave the way for our business to the countries of the former Union.

DIA Evaluation of Military Strength Cited

PM1206140392 Moscow KRASNAYA ZVEZDA in Russian 11 Jun 92 p 3

["Own Information" report: "U.S. Intelligence on Russia's Military Potential"]

[Text] The U.S. Defense Intelligence Agency [DIA] has presented a report to Congress on the state of and prospects for development of the Russian Armed Forces and defense industry. The report, which is available for publication for the first time, records a considerable cutback in military expenditure—10-25 percent last year—and troop strength.

The reduction in resources allocated for defense, the report notes, has led to a decline first and foremost in the purchase of armaments and combat equipment—20 percent on average in 1991. On average because, for example, 40 percent fewer tanks and artillery pieces were purchased, while 20 percent fewer tactical aircraft and naval ships were purchased.

In the DIA's assessment, the difficult situation which the defense industry now finds itself in and the disintegration of the former Soviet structures in charge of the export of weapons are forcing enterprises to be more energetic and self-reliant in their search for foreign buyers. It is expected that the international market will be offered primarily modern combat aircraft and air defense systems, and, what is more, will be offered them at below world prices.

The U.S. military intelligence agency also noted that the "February agreement on joint financing of the Joint Armed Forces is not being implemented" and that "the military have had to operate in conditions of financial chaos since last fall."

"The military threat to the West has radically declined," according to the DIA, which stresses that the new Russia is seeking to have small, mobile Armed Forces in which the emphasis is on the quality of the personnel and armaments. On the basis of its analysis of Russian military potential, the report draws the conclusion that the Russian military leadership's main concern will continue to be the regional conflicts along the state's borders.

Joint Commission on MIA's Completes Session

PM1106103792 Moscow KRASNAYA ZVEZDA in Russian 6 Jun 92 p 2

[Lieutenant Colonel Yu. Rubtsov report: "American POW's Were Indeed on USSR Territory"]

[Text] American POW's were indeed on USSR territory—this was the conclusion reached by participants in a working meeting of the bilateral Russian-U.S. commission to establish the fate of POW's and MIA's during and after World War II that ended in Moscow 3 June.

It emerges from the report by Dmitriy Volkogonov, leader of the Russian side of the commission and the Russian president's adviser on defense questions, that despite the fact that all Soviet leaders denied the presence of U.S. citizens as POW's and internees on USSR territory, a preliminary examination of archive documents confirms that they did in fact exist. Graves containing the remains of some of them have also been found on the territory of the Soviet Union.

Of the approximate total of 3.5 million foreign citizens who ended up as POW's and internees in our country during and after World War II, over 23,000 were from the United States. These were mainly men liberated by the Soviet Army from Nazi captivity. However, not all of them were repatriated. It is their fate that is being established at the present time.

D.A. Volkogonov also announced that material has been found in Russian archives relating to U.S. citizens missing in action during the Korean War. These are mainly aircraft crews shot down by Soviet airmen and Chinese and Korean air defenses over North Korean territory. Admittedly, no evidence that they were ever in the USSR has yet been uncovered.

As far as Americans who took part in the Vietnam War are concerned, it has been established that at least some U.S. servicemen who avoided action in Vietnam and were illegally taken to the USSR spent a short time in our country. Their presence in the USSR was actively exploited in a propaganda campaign against the war in Indochina. Subsequently, according to the information available, all of them left for various European countries.

On a request from the Russian side, Mr. Edward Ross, the leader of our partners on the commission and director of the U.S. Defense Department's section for POW and MIA affairs, gave a brief account of the work being done to uncover information about Soviet citizens who are POW's or MIA's in Afghanistan and other countries. Hope was expressed that the expected visit to Moscow by Peter Thomsen, U.S. special envoy to Afghanistan, would yield results. The issue of setting up a special working group to establish the fate of the "Afghan veterans" within the framework of the joint commission was also discussed.

In the adopted communique, the participants in the working meeting noted the spirit of constructiveness and mutual understanding that distinguished it. The next working meeting is scheduled after Russian President B.N. Yeltsin's visit to the United States.

U.S. Marine Delegation Visits Air Defense Unit

PM1206130592 Moscow KOMSOMOLSKAYA PRAVDA in Russian 10 Jun 92 p 2

[Report from "Army" column based on reports by I. Yelkov, I. Rudnikov, and news agencies: "Visits"]

[Text] The visit by U.S. military men to airfield 174 of the guards air defense fighter regiment in the polar region was not just another opportunity to count MIG's. The experts, headed by Colonel L. Kelly of the U.S. Marine Corps Aviation, received a host of impressions about Russian cordiality and described the conversation with our pilots as "the best feature of the visit," probably implying thereby that the refusal to let them inspect the aircraft and facilities of the neighboring Air Force reconnaissance regiment was the worst feature.

However, the warm welcome and chilled vodka softened the hearts of the Skyhawk pilots. "On behalf of President Bush," Kelly conferred on the regimental commander, Colonel S. Surmilo, the honorary rank of colonel in the U.S. Marine Corps and presented him with the corresponding regalia. True, the legitimate interest of this new-fledged American marine in the hard currency aspect of his pay was not satisfied.

Arms Shipment Seized in Joint U.S. Effort

LD1006154992 Moscow ITAR-TASS in English 1301 GMT 10 Jun 92

[By CRIME-PRESS correspondent Larisa Sinenko for TASS]

[Text] Vladivostok June 10 TASS—"If at first you don't succeed, try, try again." That was the motto of a recent operation by American and Russian border authorities who cooperated to seize an illegal shipment of firearms transported from the U.S. to Russia's Far Eastern territory.

According to representatives of Russia's National Security Ministry, such operations are usually carried out with the assistance of the international agency Interpol. But taking into consideration the growing demand for illegal firearms in Russia, the authorities decided direct contact between Russian and American border guards was a better course to take. The arms were seized in Vladivostok and returned to the United States.

U.S. Bank Promises Loan for Oil, Gas Equipment

PM1206144792 Moscow IZVESTIYA in Russian 11 Jun 92 Morning Edition p

[Mikhail Kolesnichenko report: "Billion-Dollar U.S. Loan to Russian Oil and Gas Industry"]

[Text] New York—The Export-Import Bank of the United States intends to grant Russia a $1 billion loan in the very near future for the purchase of modern equipment for the oil and gas industry. This was announced by James Randolph, U.S. assistant secretary of energy.

He noted that the final details would be discussed during the forthcoming state visit to Washington by President Boris Yeltsin. Russia, the ranking Department of Energy representative stressed, will most probably pay for the loan through crude oil exports to the United States.

J. Randolph did not announce how much oil Russia plans to supply to the U.S. market and at what price.

U.S. Aid to Perm, 'Merely a Bargain'

PM0906152992 Moscow Russian Television Network in Russian 1000 GMT 5 Jun 92

[From the "Vesti" newscast: Video report by V. Fefilov and B. Kremlev, identified by caption, from Perm]

[Text] Every child under 15 in Perm will receive 8.5 kg of U.S. food—half a liter of sunflower oil, one kilogram each of dried milk and lentils, and two kilograms each of crushed wheat and rice. Humanitarian aid weighing a total of 2,100 tonnes has arrived in Perm, courtesy of the International Adventist Agency.

So that the inhabitants of Perm cannot say again that they are "ashamed of their state" [for accepting charity], the city authorities have decided to sell the individual rations at 5 rubles each. That way it will no longer be charity, merely a bargain!

Yeltsin, Kyrgyzstan President on Relations

OW1106173392 Moscow INTERFAX in English 1545 GMT 11 Jun 92

[Report on interview with Russian President Boris Yeltsin and Kyrgyz President Askar Akayev by INTERFAX special correspondents Boris Grishchenko and Vyacheslav Terekhov "shortly after the Russian-Kyrgyz bilateral treaty was signed in the Kremlin" on the evening of 10 June; prepared by Andrey Pershin, Andrey

Petrovskiy, and Vladimir Shishlin and edited by Grishchenko; from "Presidential Bulletin"—transmitted via KYODO]

[Text] Emphasizing the importance of such talks [the Russian-Kyrgyz talks] within the CIS, Boris Yeltsin brushed away all accusations of ruining the former Soviet Union. "Before the events in August 1991, Askar Akayev and I earnestly worked on the Union treaty. Therefore, it would be dishonest to lay the blame for the Union's break-up on us. This has nothing to do with reality, he said.

The Union was ruined by the putsch, he continued. Following August 19 and 20 the republics of the former Union ceased to trust the Union leadership and opted for independence. In view of this vitally important fact, the Russian leaders set themselves the task of preserving civil peace between the 130 nations and nationalities populating Russia. Among the biggest achievements of the Russian leadership, said Yeltsin, is the fact that there was no bloodshed during the year and that it managed to avoid the "Yugoslav variant".

Speaking about the importance of bilateral agreements between Russia and the former Union republics and now independent states, Boris Yeltsin referred to the recently-concluded treaty with Kyrgyzstan, describing it as a step in a planned process. He said that such agreements deepen relations between partner-states. Last July, Russia and Kyrgyzstan approved the principles of economic cooperation and, subsequently, established diplomatic relations. The treaty raises bilateral relations to a new level. It is comprehensive and will be followed by a special agreement on finances, culture, health care, science and public education. It puts the two states on an absolutely equal footing, which means that Russia has overcome imperial ambitions, said President Yeltsin.

Relations between CIS states are characterized by two diametrically opposed tendencies, said Askar Akayev. On the one hand they are characterized by the centrifugal tendency, but on the other, by the wish to preserve inter-state unity by means of acts and declarations alone. Nothing has ever divided Russia and Kyrgyzstan. We still want to live like brothers. Last August we had an opportunity to demonstrate our faithfulness to the union with Russia on a new democratic basis.

The most important thing is, said Akayev, that this treaty, equitable in spirit, is extremely efficient. He also said that the Russian and Kyrgyz governments will conclude agreements on the principles of economic activity, on pricing policies and on cooperation in power engineering, transportation, education and culture.

Military Denies Azerbaijani Claims of Damage

LD1106140492 Moscow ITAR-TASS World Service in Russian 1310 GMT 11 Jun 92

[By ITAR-TASS correspondent Andrey Anryshkin]

[Text] Moscow, 11 Jun—The press center of the Russian Armed Forces today refuted reports distributed in the Azerbaijani mass media on 10 June that servicemen from one of the Russian aircraft units withdrawing from the territory of Azerbaijan had set fire to a number of airfield buildings. It was stated at the press center that reliable information from the withdrawal areas attests that the fires at the airfield began after the servicemen left. The aircraft unit personnel took no action to destroy the facilities they were leaving behind.

'Expert' on Election Outcome in Azerbaijan

OW1106135292 Moscow INTERFAX in English 1216 GMT 11 Jun 92

[Transmitted via KYODO]

[Text] Russia's Foreign Ministry believes that after the election victory by the Popular Front leader Abulfaz Elchibey, the situation in Azerbaijan will significantly stabilize. "However, this is unlikely to affect either Nagorno-Karabakh or Azerbaijan's border with Armenia", an expert on Transcaucasian problems added.

In his view, Mr. Elchibey himself has repeatedly spoken in favour of a political solution to the Karabakh conflict and is sincerely interested in that. "However, in both Azerbaijan and Armenia, there are forces sparing no effort to frustrate that". The expert identifies among these forces the Front radicals, staking on strength.

He predicts that under Mr. Elchibey Russo-Azerbaijanian relations will be "smooth enough", although Azerbaijan's early walk out of the CIS won't be a surprise.

However, the Russian expert feels that relations with Ankara will get priority in Baku's foreign policy as Azerbaijan is bound with Turkey by common history, culture, and language.

Spokesman on Azerbaijan's CIS Membership

LD1106170892 Moscow Radio Rossii Network in Russian 1400 GMT 9 Jun 92

[Excerpts] Certain problems relating to Russia's policies in the republics of the former USSR were touched on at a briefing given by the director of the Russian Foreign Ministry information department Sergey Yastrzhembskiy. Here are the details from our correspondent Yevgeniy Zherebenkov. [passage omitted]

[Zherebenkov] In reply to a question from your correspondent as to how the Russian Foreign Ministry views the statement by the recently elected president of Azerbaijan that the republic does not intend to belong to the CIS, Sergey Yastrzhembskiy said the following:

[Begin recording] Well, we will clearly have to wait for this to be put formally, and then, as far as I know, Azerbaijan has still not ratified the documents which were previously signed within the framework of the CIS.

We can state at present that within the CIS, two contours of states are emerging, as it were. Some states are showing the most fervent, growing interest with regard to preserving the Commonwealth and deepening mutual relations with Russia, and an example of this is a whole series of bilateral treaties recently signed, you know them, with Kazakhstan, and the process is developing very fruitfully here with Kyrgyzstan. There are also other states which are showing greater restraint regarding the Commonwealth, but clearly, we primarily have to wait for official reaction on this from Baku, and then we will be able to formulate our attitude. [end recording]

Sergey Yastrzhembskiy made a statement in connection with the publication in the newspaper DEN of the full text of a coded telegram from ambassador Vorontsov of 29 May 1992. It is the Foreign Ministry's view that a crime consisting in gross violation of all laws and regulations is in evidence, and primarily of a decree by the president of the Russian Federation on protecting state secrets. A very important and delicate form of work by the Russian diplomatic service has been jeopardized—the confidential discussion of world problems. Trust in Russian diplomacy and in the Russian state in general from our foreign partners is being undermined. The Russian Foreign Ministry expresses hope that a careful investigation of this unprecedented case will be continued and that the culprits will be punished.

'Umpteenth' Warning on Georgia-Ossetia Issued

PM1106160192 Moscow KOMSOMOLSKAYA PRAVDA in Russian 6 Jun 92 p 1

[L. Krutakov commentary: "Ossetia Threatens To Secede From Russia. And Russia Warns Georgia for the Umpteenth Time"]

[Text] If the incipient Russian state already had any real political power today, the North Ossetian Supreme Soviet's statement made the other day about the possibility of leaving Russia should at least have caused concern in the ruling circles. The Security Council session, however, restricted itself for the umpteenth time to issuing a warning couched in terms clearly characteristic of a certain style of writing, to wit: We state that what we have already stated on more than one occasion concerning what we are stating now remains in force, which we state with full responsibility.

The conflict between Georgia and Ossetia has been going on for a year and a half in the face of Russia's indifferent attitude toward it, leaving aside the statements which have been made for effect. This is in spite of the resolutions of the Third and Fifth Congresses of Russian Federation People's Deputies, which say that if Georgia does not meet demands to settle the conflict by peaceful means, Russia will resort to the most decisive steps right down to severe economic sanctions.

Ossetia's statement is, of course, more an act of desperation than a political document, but the alarm bells have been sounded.

Ossetia has not chosen its own fate; the geopolitical arrangement of forces in the continent determined this for it. During the period of Russian autocracy, Ossetia was a Russian "window" on the Caucasus; after 1917 it became a bridgehead from which the Bolsheviks influenced the whole of the Transcaucasus. If you recall the sad precedent for Russia of the "Chechen revolution," it was actually Vladikavkaz's airfields which were used to transfer internal troops nearer to Groznyy. Russia did not then go the whole way, but it "exposed" Ossetia.

First of all there was Chechnya's sovereignization followed by lengthy "ritual dances" around Tatarstan, and now North Ossetia is ready to join the ranks of the "dissidents." If things happen in this way, Russia may soon contract to the dimensions of the Principality of Muscovy.

....There is no disputing that universal human values are a good thing. However, America, which is being presented to us today as a model democracy, has already proved on more than one occasion that, for it, universal human values are to be equated with state interests or national interests (depending on who believes what).

Yeltsin Satisfied With Georgia-Ossetia Talks

LD1206052192 Moscow Radio Rossii Network in Russian 0300 GMT 12 Jun 92

[Text] Russian President Boris Yeltsin held a telephone conversation with Eduard Shevardnadze and expressed satisfaction with the results of talks between Georgia and North Ossetia on 10 June. Shevardnadze said that Boris Yeltsin confirmed his readiness to help settle this conflict. He endorsed the idea of setting up battalions of internationalist servicemen and instructed Russian Defense Minister Pavel Grachev to give all-round support to their creation.

'Ultimatums' Issued by South Ossetians, Azeris

PM1106093792 Moscow KRASNAYA ZVEZDA in Russian 11 Jun 92 p 1

[Major K. Litvinov report: "District Command Receives Two Ultimatums in One Day. Army Rejects All Suggestions To Hand Over Weapons"]

[Text] The Transcaucasus Military District command has received two ultimatums. Rezo Khugayev, deputy chairman of the South Ossetian Supreme Soviet, told Lieutenant General Iosif Oganyan, who is in Tskhinvali, that unless the Georgians cease their shelling of Tskhinvali the South Ossetians will take as hostages, the families of Russian officers from the helicopter and engineering-sapper regiments comprising 28 women and 15 children, according to data as of 9 June. He demanded the handover of weapons and equipment, and announced the intention to nationalize these regiments.

As for the servicemen from these units, they are maintaining neutrality as in the past and have imposed a virtual perimeter defense.

Meanwhile Azerbaijan's Defense Minister Rakhim Gaziyev, as KRASNAYA ZVEZDA was told by Lieutenant General Sufiyan Beppayev, deputy commander of the Transcaucasus Military District, has submitted a demand in the form of an ultimatum requesting the handover of the 23d Motorized Rifle Division from Gyandzha to the republic's Armed Forces. Lt. Gen. Beppayev described the attempts to talk to the district from positions of strength as scandalous. Division Commander Major General Viktor Pakhomov has been authorized by the district command to announce to representatives of Azerbaijan's Ministry of Defense that no handover of weapons and equipment can even be discussed until an interstate treaty between Russia and Azerbaijan is signed.

Grachev on Russian-Turkmen Military Agreement

PM1006110292 Moscow IZVESTIYA in Russian 10 Jun 92 Morning Edition p 1

[Vladimir Kuleshov report: "Joint Turkmen-Russian Forces To Be Set Up"]

[Text] Ashkhabad—An agreement on mutual defense and the status of troops and formations on the territory of Turkmenistan has been signed in Ashkhabad at the level of defense ministers of the Russian Federation and Turkmenistan.

It is well known that the numerical strength of the troops in Turkmenistan, which stands at more than 110,000 men, is several times more than the reasonable limit necessary to ensure the defense capability of this small southern republic. At the same time the military formations stationed here on the strategically important southern salient have always been a protection not only for Turkmenistan, but for the whole of the former Union, protecting "Russia's underbelly."

"We had various options for determining the fate of the troops on Turkmenistan's territory," Russian Defense Minister P. Grachev says. "The republic put forward proposals for the creation of Russian-Turkmen forces, and we proposed that there should be both Russian and Turkmen forces here simultaneously. However, in 45 minutes President S. Niyazov and I have arrived at the most acceptable option—it exists in international practice, reflecting the interests of both states...."

What is this option? It has been decided, the agreement states, to create national armed forces under the joint command of the Russian Federation and Turkmenistan on the basis of two combined units and a list of units, yet to be agreed, of the Armed Forces of the former Soviet Union stationed on Turkmenistan's territory.

Air defense formations and individual units of the Air Force of the former Union stationed on Turkmenistan's territory will belong organizationally to the Russian Federation.

Manpower acquisition for the troop formations on Turkmenistan's territory and the training of personnel for them will be carried out jointly. Life support services, housing, municipal services, and medical services for all troop formations stationed in Turkmenistan will be provided by the Turkmen side, while finance and material and technical provision will be the responsibility of the Russian Federation for the transitional period.

The sides are proceeding on the basis of the understanding that during the process of reorganizing the Armed Forces of the former Union on Turkmenistan's territory, the civil and social rights of servicemen and their families will be fully observed....

"Both Turkmenistan and Russia," Turkmen President S. Niyazov said, "need these forces today, and they should constitute a single defensive border for our states. This agreement is entirely in accordance with the Turkmen people's interests."

Foreign Ministry on Remarks by Estonian Envoy

PM1006132592 Moscow IZVESTIYA in Russian 9 Jun 92 Morning Edition p 4

[Gennadiy Charodeyev report: "Estonian Ambassador Accuses Moscow of Imperialism"]

[Text] The Berlin newspaper SUPER has published an interview with T. Matsulevits, Estonia's ambassador to Germany, on the state of Russian-Estonian relations and on the leadership of the Russian Federation.

The arguments of this politician are couched in the best style of the "cold war" times: ranging from Russia's desire to turn the Baltic states into its satellites to allegations of an economic blockade of Estonia, accusations against Russian servicemen, and even attempts to associate the name of President B. Yeltsin with terms such as Soviet imperialism.

We have been told at the Russian Foreign Ministry that people there have familiarized themselves with the text of the interview. A ministry spokesman pointed out that the ambassador's statements in the gutter newspaper SUPER, sonorous though they are, are not backed up by any facts. Is it really possible to forget that it was precisely democratic Russia and its current president that made the decisive contribution to the cause of restoring independence to the Baltic states?

Instead of remembering this, some Baltic figures, including the Estonian ambassador to Germany, are engaging in unworthy— from our viewpoint—political games in an attempt to stir up the West against Russia. Yet it is precisely Russia's prosperity and its confident development along the path of democracy that are the

chief guarantors of the independence of Estonia, Latvia, and Lithuania. Such statements are particularly out of place when made by an ambassador officially accredited to a state with which Russia has friendly relations based on mutual trust.

Estonian Talks 'Can Do Without Mediators'

OW1006132692 Moscow INTERFAX in English 1147 GMT 10 Jun 92

[From the "Diplomatic Panorama" feature based on reports by "diplomatic correspondents Igor Porshnev et al"; transmitted via KYODO]

[Text] Chief of the Russian delegation to the talks with Estonia, Vassily Svirin, is deeply convinced that Russia and Estonia can do without mediators in fixing the schedule of the former Union troops' withdrawal.

He told DP [Diplomatic Panorama] that "given the will and patience of both countries Moscow and Tallinn will eventually come to terms on this delicate issue".

One should take into account the actual situation in Russia and Estonia. The withdrawal of the former Union's troops, put under Russia's jurisdiction, cannot be considered outside the current context. The former Union's troops are being currently withdrawn from Germany, Poland and other states, all of which involves enormous spending. "It is impossible to disregard this fact," said Svirin.

He also expressed regret that Estonia unilaterally interrupted the talks on the withdrawal of the Russian troops from its territory. Such a decision will benefit neither Estonia, nor Russia. It will only complicate the talks, he said. He also confirmed the Russian delegation's readiness to resume the talks at any moment.

Resolution Calls Policy on Serbia 'Hasty'

OW1106222892 Moscow INTERFAX in English 1831 GMT 11 Jun 92

[Transmitted via KYODO]

[Text] The committee of the Russian Parliament on international affairs and foreign economic relations, along with Foreign Minister Andrey Kozyrev held closed parliamentary hearings Thursday [11 June] to discuss Russia's position of the UN sanctions against Serbia.

A member of the parliamentary committee Leonid Volkov said in an interview with "IF" [INTERFAX] that the resolution which "does not condemn Russia's decision on the whole" but calls it "hasty" was passed by a vote of 7 to 5.

Volkov said that the proposal to declare the decision a mistake was immediately rejected. Minister Kozyrev said at the parliamentary hearings that the Russian Foreign Ministry promptly informed the Chairman of the Parliament of Russia's intentions to join the sanctions against Serbia. However, Ruslan Khasbulatov informed neither the Presidium nor the Parliament of the decision.

Volkov said that several participants of the parliamentary hearings, including staunch opponents Sergey Baburin, Mikhail Astafiyev, and others, insisted on broadening the question. They feel the concept of Russia's foreign policy should be determined by the Parliament, and the policy should be pro-Slavic. Volkov stated that the proposal drew sharp opposition from those present at the hearing, who said that Russian foreign policy should be state, not ethnic in nature.

'Accusations' of Karabakh Coverage 'Unfounded'

PM1206101292 Moscow ROSSIYSKAYA GAZETA in Russian 11 Jun 92 First Edition p 7

["Rejoinder" by Vyacheslav Yelagin, adviser at the Russian Foreign Ministry Information and Press Department: "Not Such a Sensation"]

[Text] On 4 June ROSSIYSKAYA GAZETA published a DEUTSCHE WELLE radio commentary under the intriguing headline "Bad Publicity for Russian Diplomacy." The subject was the first meeting of representatives of the CSCE states on Nagorno-Karabakh in Rome. One can understand DEUTSCHE WELLE's desire to comment on the results of the talks on settling the burning problem of Nagorno-Karabakh. However, apparently the fruitlessness of the Rome meeting was due to the fact that "Russian Foreign Minister Andrey Kozyrev's idea for representatives of the Armenian and Azerbaijani communities to take part in the talks did not work out, because the Armenians did not turn up." In addition, the Russian and Turkish sides are said to have assigned roles in setting in motion the peace process around Nagorno-Karabakh, something they supposedly did during the Turkish prime minister's recent visit to Moscow. Turkey, in DEUTSCHE WELLE's opinion, did its part of the work: It brought Azerbaijanis from Baku and Shusha, but Russia either demonstrated its inability to influence the course of events, or else showed a rare degree of perfidiousness.

The Russian Foreign Ministry was surprised to see this free interpretation, far removed from the truth, laying claim to the objectivity and respectability of DEUTSCHE WELLE. I would like it to know that the Russian foreign policy department took no steps to bring Armenians to Rome. Furthermore, during the talks with S. Demirel, the question of assigning roles and of participation by representatives of the Azerbaijani and Armenian communities of Nagorno-Karabakh was not discussed at all.

The radio station's conjectures do not, unfortunately, end here. A good many other frankly unfounded accusations are also directed at Russian diplomacy in relation to its policy in the Caucasus salient.

In this connection I would like to remind DEUTSCHE WELLE that the Russian Foreign Ministry is constantly concerned with the Karabakh problem and is engaged in peacemaking efforts to bring about a settlement. A working group on the Nagorno-Karabakh problem has been formed at the ministry. Initiatives on holding meetings of the foreign ministers of Russia, Azerbaijan, and Armenia were put forward with the direct participation of the Russian Federation Foreign Ministry. Constant contacts are maintained with special representatives of other interested states.

The efficacy of the discussion of the Nagorno-Karabakh problem within the framework of the all-European process was largely determined by the fact that the CSCE could draw on the Russian Federation's constant diplomatic contacts and collaboration with the majority of the participating states. The Russian leadership's efforts to create an atmosphere of peace, stability, and security in the region and the numerous contacts between members of the Russian Federation Supreme Soviet and Government and participants in the CSCE reporting mission are also common knowledge. The Russian delegatoin was not idle in Rome either. During the debate it put forward a series of compromise formulas, some of which found their way into the text of the working document.

The Russian Foreign Ministry intends to continue to do everything in its power to find a way out of this explosive situation. The ministry takes a positive view of the mediating role of other states and interested international organizations which seek to help promote a comprehensive settlement of the Nagorno-Karabakh problem, and see this in the context of complementarity and coordination of actions. At the same time we can see both the strong and the weak points of such mediation.

Perhaps next time it covers the work of the next session of the CSCE group on Nagorno-Karabakh DEUTSCHE WELLE will be more objective about the matter and will not mislead its listeners.

Prospects for Russian-Ukrainian Relations Viewed

MK1106161792 Moscow NEZAVISIMAYA GAZETA in Russian 11 Jun 92 p 3

[Vitaliy Portnikov report under the "Forecast" rubric: "Will Russia and Ukraine Play Happy Families? Kremlin May Change Tactics During Yeltsin's and Kravchuk's Talks]

[Text] Yuriy Dubinin, Russian delegation head at the talks with Ukraine, shared with journalists some of the ideas being discussed by Russian political circles on the eve of the meeting between Boris Yeltsin and Leonid Kravchuk in Dagomys. The Russian side intends to propose institutionalizing the "summits" and make them a regular negotiating instrument, thus "launching" a stable negotiating process between the two countries' delegations and even "discussing the idea of signing a broad political document." Although Dubinin's statements at a news conference in the Russian Foreign Ministry press center have not been concretized, and it is not known how far Russian diplomats' initiatives are shared by the Russian president's entourage, Russian approaches to Russian-Ukrainian relations are tending to change. It is not a question of the possible improvement of these relations, but of the "Americanization" of the negotiating process. At one time that was precisely how cooperation between the two superpowers developed—constant talks, regular meetings between the presidents, which resulted in the signing of documents—that is why the meetings between the Soviet and U.S. leaders were virtually one of the main events in international life for a year or two and the freeze on these meetings during the last years of Brezhnev's rule and the post-Brezhnevian period plunged observers into despondency. At the same time, Moscow cooperated with other NATO countries and the level of these contacts was not entirely dependent on the warmth and frequency of Soviet-U.S. meetings. This is also the case with the CIS countries. People in the Kremlin have probably seen that the development of relations with Ukraine within the Commonwealth framework is being retarded by Ukraine's reluctance to take an active part in the CIS, and they have quietly tried to move toward bilateral contact, something for which people in Kiev have also been striving. Another question is whether Yeltsin and Kravchuk will be able to secure any mutual understanding at their first meeting as the "CIS Gorbachev and Reagan." Or will it only end in mutual exchanges of pleasantries?

Be that as it may, the Russian president now has plenty of room to maneuver. If he manages to reach agreement with Kravchuk, Yeltsin will look far more imposing than the Russian Supreme Soviet, which is making a show of worsening Russian-Ukrainian relations. However,in order for this to occur, Yeltsin must extract at least some concessions from Kravchuk, while Kravchuk has of late, not been quite the same man that he was on the eve of his election last December. He will not just agree to make concessions, although he may venture to compromise—an explanation can always be found for this (reluctance to "totally" ruin relations with the eastern neighbor, a desire to save Yeltsin from the Red-Brown danger, Kravchuk has, moreover, always found an explanation for his actions and concessions. The only problem in this is that a compromise here will immediately impel the Ukrainian president to set about economic reforms since Kravchuk prefers seeking accord rather than having it take him by surprise). [passage as received]

On the other hand, on what are the presidents to reach agreement? On the Black Sea Fleet? On Crimea? Can they reach agreement here at all? Or will an accord on Crimea rapidly become reminiscent of the lengthy but failed agreements on the Dniester region, where events have of late been developing almost of their own volition. Events in Crimea are also somewhat escaping from Moscow's and Kiev's control and, when this finally happens, the leaders of the two CIS "superpowers" will have to have a real meeting and not merely pay lip

service to protocol or weigh up the advantage of these contacts in terms of domestic-policy success.

Khasbulatov Briefs Saudi Journalists on Policies

PM1206105492 Moscow ROSSIYSKAYA GAZETA in Russian 12 Jun 92 First Edition p 7

[ITAR-TASS report: "R. Khasbulatov in Saudi Arabia"]

[Text] Russia is building its relations with the region's countries on the basis of mutual understanding and good-neighborliness, Ruslan Khasbulatov, head of the Russian parliament, noted at a meeting with Saudi journalists. It advocates the settling of conflicts within the CIS and outside it on the basis of peaceful dialogue and talks, rejects the use of forth in Nagorno-Karabakh and in other regions, and will not accept interference in the internal affairs of other states. In selling military equipment to other countries Russia seeks not to disrupt the established balance of forces in the interests of preserving stability and peace, and offers for sale on the foreign market only weapons of a defensive nature.

R. Khasbulatov noted that certain of today's Russian leaders had put pressure on Mikhail Gorbachev to prompt him to "adopt a resolute stance with regard to Iraq at the time of its aggression against Kuwait." He stressed that despite the criticism of Boris Yeltsin he "is the acknowledged leader of Russia."

The Russian Federation Supreme Soviet chairman came out in favor of international military measures against Serbia. "Russia will undoubtedly support the sending in of UN troops. We will not hesitate in the cause of the defense of justice, despite our good relations with Serbia in the past," he said.

The parliamentary speaker reaffirmed Russia's desire to develop friendly relations with Afghanistan and expressed gratitude to the Saudi leadership for its help in the cause of the release of Soviet prisoners of war seized by the Afghan mujahidin. Touching on Russia's agreed position with India on the problem of Kashmir, he said: "We are revising our approaches, since they are detrimental to the national interests of the Russian Federation."

On behalf of Russia's Muslims, R. Khasbulatov noted the peace-loving foreign policy of the Kingdom of Saudi Arabia.

Khasbulatov on Ties With Islamic Countries

NC1006151692 Istanbul TURKIYE in Turkish 9 Jun 92 p 13

[Report on an interview with Ruslan Khasbulatov, chairman of the Russian Federation Supreme Soviet, by Ramazan Aydin in Istanbul; date not given]

[Excerpts] Istanbul—Ruslan Khasbulatov, Russian Federation Supreme Soviet chairman, is visiting our country at the invitation of Husamettin Cindoruk, Turkish Grand National Assembly speaker. In an exclusive statement to our paper, Khasbulatov said the neglect of Islamic countries during the USSR's era was a strategic mistake, adding that these countries will now occupy an important place in Russia's foreign policy.

"We Will Develop Ties With Islamic Countries"

Assessing his country's relations with the Islamic countries and Turkey, Khasbulatov, who is a Chechen and Muslim, said in brief: "The Islamic countries did not occupy an important place in USSR foreign policy during the communist period. We now realize that this neglect was a strategic mistake. I think the ties which will be developed with the Islamic countries will also benefit our domestic policy. We do not approve of the activities directed against the Muslims in Russia by certain countries which have declared religious principles as the foundation of their state systems. As we indicated in a law passed by our parliament last year, religion is a personal issue; religion and state should not interfere in each other's affairs. As the Russian Federation, we cannot approve of the world's pan-Islamic movements." [passage omitted]

Khasbulatov said the following on relations with Turkey: "Despite having a near total Islamic population, Turkey is not using Islam as a factor in foreign policy, which eases our mind somewhat. Turkey, since its foundation and in its relations with the West, has proven its reliability on this score and is, to an extent, a source of reassurance for Russia." [passage omitted]

Further on Rutskoy's Latin American Talks

Meets Business People in Argentina

LD1106172392 Moscow ITAR-TASS in English 1021 GMT 11 Jun 92

[By ITAR-TASS special correspondents Yevgeniy Alekseyev and Aleksandr Mineyev]

[Text] Buenos Aires June 11 TASS—Russian Vice-President Aleksandr Rutskoy, currently on a visit in Argentina, familiarized himself with enterprises of the agro-industrial complex in the province of Cordoba and the operation of a grain exchange in Buenos Aires. On the same day he met in the Argentine capital with local business people, as well as with representatives of Russian emigrants who live in this South American country.

At the meeting with representatives of the business circles, Rutskoy informed them of the radical economic reforms in Russia and stressed the huge possibilities of the two countries in the development of the all-round cooperation. Argentina can benefit from participation in organizing the food industry in Russia whose market is promising large profits. The vice-president noted that foreign investments to the Russian economy are on a low level, partially due to the lack of information on its potential possibilities. Rutskoy suggested attracting private capital for creating in Moscow and Buenos Aires

trade centers which could provide entrepreneurs with comprehensive information on markets of the two countries, as well as render legal and consultative services.

The vice-president told Argentine business people about the setting up of six large agro-industrial corporations in the south of Russia and promised the most favorable conditions to foreign investors in case they participate in their operation.

Rutskoy also met with representatives of the Ukrainian and Byelarusian communities in Argentina. Speaking at the gathering, the vice-president pointed out that the state system which existed over 70 years has not proven to be correct and now the Russian state is gradually reviving. The new Russia calls its compatriots scattered all over the world to aid it and opens doors to them. There will be no obstacles for them in obtaining the Russian or double citizenship, acquiring immovable property and investing capitals. Although the situation in Russia is still unstable, the reforms are being carried out, and this inspires us with optimism, Rutskoy said.

Representatives of the Russian colony expressed the desire to take part in changes in Russia and asked the vice-president to help remove bureaucratic barriers in obtaining visas and buying real estates in Russia.

Encourages Venezuelan Cooperation

PM1206104192 Moscow PRAVDA in Russian 11 Jun 92 p 3

[Interview with Russian Federation Vice President Aleksandr Rutskoy by Pavel Bogomolov in Caracas; date not specified: "Petroleum, Pineapples, and Profit. A Conversation with the Russian Vice President in Caracas"]

[Text] Venezuela, Argentina, Brazil—that is Aleksandr Rutskoy's, Russian Federation vice president, current Latin American tour. On the eve of his departure from Caracas he met with representatives of the Russian mass media. We are publishing his answers to questions put to him by your PRAVDA special correspondent Pavel Bogomolov.

[Bogomolov] Aleksandr Vladimirovich, you have been getting acquainted with Venezuela and the Venezuelans for three days. How has this worked out?

[Rutskoy] Very well. I have visited oil industry workers and met with pilots and technicians, representatives of the business world, and the country's leaders. I can resolutely say: These are wonderful people, they are very kind, pleasant, and responsive. It is surprising that our relations with Venezuela have practically not developed and have been restricted to a purely symbolic level for so long. We need action. Look at the colossal potential here from the point of view of the market. The Venezuelans have a keen interest in our possibilities and are proposing new spheres of partnership....

[Bogomolov] In that case, what is the problem?

[Rutskoy] Alas, the obstacles are coming from our side. This is partly occurring in the sphere of the preparation of an agreement on bilateral cooperation in the petroleum extraction and petroleum refining sectors. Incidentally, the Venezuelans have excellent technology for the processing of light oil, and we have a pretty good situation with heavy oil. That is why I am saying we must cooperate.

[Bogomolov] After all, there have already been examples of cooperation, for instance with supplying fuel to "third parties"....

[Rutskoy] That is true; at one time we carried out Venezuela's commitments in Europe, and Venezuela, in its turn, supplied petroleum to its neighbors in our place (Cuba in particular—Editor). That worked out to be both more profitable and more convenient. As a result our net profit reached $200 million a year. Is this good? Of course it is. So why are we not doing this now?

[Bogomolov] Good question, why?

[Rutskoy] I will evidently have to return to my favorite "hobby horse:" In our country no one is responsible for anything. We need specific people and specific firms to bear the whole brunt of the responsibility. The ministries are now evidently out of date as structures, and we need other candidates for partnership who would be genuinely interested in ultimate success. For example, if we are talking about a profit of $200 million today, then someone is needed who is essentially interested in bringing it up to 1 billion.

Look at the way the Venezuelan state oil company operates in this respect. Whereas in 1975 crude oil accounted for 60 percent of its export deliveries, primarily to the United States, then at the moment, the percentage is only 18. The rest is made up of refinery products. What are we doing in this sphere? In short, we are living in the Middle Ages. That is why we need to work and get a move on.

[Bogomolov] But how?

[Rutskoy] The principle of our approach to Venezuela should not be the number of business trips made by our senior officials from which they can bring back video recorders, fashionable ties, or coffee, but instead the business interest of the direct participants in both sides of the partnership. A person can only start working properly in the foreign economic sphere when his earnings depend directly on the contracts being concluded. Then he will start seeking opportunities to make new deals.

[Bogomolov] Do such opportunities exist today within the framework of Russian-Venezuelan cooperation?

[Rutskoy] I am sure they do. For instance we have been included in the international competition for the best hydroelectric power station project for Venezuela. It is known that Russia has achieved great heights in hydropower. Or look at the abundance of fruit here. Is it really so difficult to organize supplies of fruit to Russia? The

Venezuelans are saying: Go ahead, take whatever you want. The price is purely symbolic, six cents for a huge pineapple....

[Bogomolov] The last stop after Argentina in your trip is Rio de Janeiro, the environmental forum. Are you taking any major initiatives from Moscow in your briefcase on the protection of the environment?

[Rutskoy] Yes, of course. But I only intend to make them public in Rio.

G-7 Official: Aid Program To Be Implemented

OW1006213392 Moscow INTERFAX in English 1655 GMT 10 Jun 92

[Transmitted via KYODO]

[Text] Russian President Boris Yeltsin and State Secretary of the German Finance Ministry Horst Koller, empowered by the German government to prepare for the meeting of the "G7" leaders in Munich July 6-8, met in the Kremlin Tuesday.

Talking to journalists after the meeting Koller said that Yeltsin accepted an invitation to attend the Munich meeting and will state Russia's position there. He said the president can count on "actions following words" in Western aid to the Russian reform process.

Koller said that after the Munich meeting Western aid to Russia will take on a more definite nature. He said doubts as to whether Russia will receive 24 billion dollars in aid from the IMF are groundless. "The West's willingness to send aid to Russia has not changed. This program will be implemented", Koller said.

He said we will do everything to give Russia a rest in paying the foreign debt of the former Soviet Union.

EC's Jacques Delors on EC-Russia Ties, Issues

PM1106130392 Moscow IZVESTIYA in Russian 3 Jun 92 Morning Edition p6

[Interview with Jacques Delors, president of the Commission of the European Communities, by correspondent Aleksey Portanskiy in Moscow; date not given: "I Am Not Excluding Russia From a 'Greater Europe'"]

[Text] Jacques Delors, president of the Commission of the European Communities, was in Moscow at the end of last week on a brief, 24-hour visit. According to Delors himself, one of the main reasons for his talks with Vice Premier Ye. Gaydar, other members of the Russian Government, and Boris Yeltsin was to prepare for the Russian president's visit to Munich, where he will meet with leaders of the G-7 countries who are gathering there on 6 July.

Another important subject of the talks was the drafting of a wide-ranging agreement between Russia and the European Community, which is intended to replace the more narrow trade agreement between the EC and the Soviet Union signed two and a half years ago. According to Jacques Delors, to a certain extent, the new agreement should correspond to similar agreements which the EC has signed with the United States, Canada, and Japan, which, apart from dealing with purely economic matters, envisage the establishment of a permanent political dialogue at summit level.

At the end of his visit to Moscow, Jacques Delors answered questions by IZVESTIYA correspondent Aleksey Portanskiy.

[Portanskiy] Mr. President, in your recently published book "New European Accord", you write that the EC's mission is to apply to other countries the method which it has so successfully applied within its own ranks. What exactly is this method and is it applicable to Russia?

[Delors] This method is founded on three basic ideas, without which it cannot bring success. First, the partners' most important interests must coincide. Second, they must be convinced that cooperation is essential to resolve the problems facing them. Third, for this cooperation to be effective, there must be the appropriate institutions which make it possible to draft, adopt, and implement decisions. All this distinguishes the EC from other international organizations and constitutes its originality.

If we return to the prospects of the agreement with Russia now being prepared, the answer to the question of whether we have common interests should be "yes." Can we uphold and advance these interests through cooperation? This question should also be answered in the affirmative. What institutions and procedures are needed to achieve our aims? First of all, there must be regular meetings between the Russian president and the EC leadership. These meetings must be carefully prepared and followed up by real action.

[Portanskiy] Many believe that when you speak of a "greater Europe" you are excluding Russia from this concept....

[Delors] I am not excluding Russia from a "greater Europe." However, I have to take into account the realities. In December 1989 the French president proposed the idea of a European confederation. When he was asked who would be in this confederation, he named the USSR without hesitation. That is one reason why this idea has not been developed. Those outside the framework of the proposed confederation saw a danger of imbalance in relation to the CSCE, for example, which, as is well known, includes the United States and Canada.

In order to move ahead and overcome the reservations felt by the United States and some European states a different formula is required. It must take account of the fact that Russia is a great power with a population size comparable to that of all the EC countries put together. Russia and the EC must evolve a close partnership which

allows them to have a deep form of political and economic cooperation. This will make it possible to avoid misunderstandings and geographical disputes about where Europe begins and ends.

[Portanskiy] What is the main way that Russia lags behind Western Europe?

[Delors] The main difference is people's behavior and their attitude to work. They have lived under a bureaucratic system for decades, and now they must live by the rules of a market economy. Behavior and mentality cannot be changed in a day. To illustrate this point you only have to look at what is happening in eastern Germany. Despite vast amounts of aid, there are problems with culture, conduct, and cadre training.

[Portanskiy] Is there any possibility of increasing the flow of Russian goods onto the European market?

[Delors] Yes, but only if that is what consumers want. One of Russia's problems at the moment is that its trade with Eastern and Central Europe has collapsed. The slump in many industries, falling employment, and declining living standards are a result of this. In my opinion, life itself demands that Eastern and Central Europe and the CIS countries make the necessary effort in the trade sphere.

[Portanskiy] There has been a lot of talk in Western Europe recently about the Delors plan which you intend to present in Lisbon on 26 June. The plan proposes transforming the Commission of the European Communities into a European government. If the Western press is to be believed, some people in Europe—namely the British and the Danish—are rather afraid of this plan. Could you shed some light on this matter?

[Delors] There is no such plan. Those who write about it probably intend to do a lot of harm. You have to bear in mind that the Commission of the European Communities is not just Jacques Delors. At the request of the European Council, the Commission will deliver a report in Lisbon on the prospects of a "greater Europe" and on the problems arising in connection with broadening the EC. That is all. The report will not contain any proposals which aim to reform EC institutions in the near future. Guided by common sense and realism, we should first implement the Maastricht decisions and not be sidetracked into making institutional changes within the community.

[Portanskiy] My last question, Mr. Delors. Your daughter is a member of the French Government. Is there any connection between your stance and the office held by your daughter? Have you ever had to influence her career at any stage?

[Delors] Certainly not. As her father, I helped her to receive an education. She went on to become a brilliant student and then chose a career in administration. She is a great specialist in labor and employment issues. At one stage, she left the administrative service to become deputy director of a large industrial enterprise. Then she was offered a ministerial post. She made her choice without interference from her father, and I would not allow myself to interfere in that way.

[Portanskiy] Thank you for talking, Mr. President.

Bank Aide on Interstate Coordinating Council

PM1206085792 Moscow ROSSIYSKAYA GAZETA in Russian 10 Jun 92 First Edition p 2

[Interview with Nikolay Ivanov, aide to the chairman of the Central Bank of Russia, by Sergey Panasenko; date and place not given: "Money—Find a Common Language and Speak Together"]

[Text] Two meetings between representatives of the central banks of former USSR countries took place in quick succession in Bishkek and Tashkent. The most recent involved high-ranking emissaries from the IMF. Another meeting is planned for June in Tallinn. Will the shaken financial mechanism of Russia and her neighbors return to normal as a result of all of these talks? Nikolay Ivanov, aide to the chairman of the Central Bank of Russia and leader of the Interbank Coordinating Council of Ruble Zone State National Banks Working Group, answered questions from ROSSIYSKAYA GAZETA observer Sergey Panasenko

[Panasenko] First of all, a few words about the Coordinating Council itself and what it does....

[Ivanov] The Interbank Coordinating Council is a consultative organ comprising authorized representatives from the majority of states in the so-called "ruble zone." Its task—as stipulated in the decision to create it—is to coordinate a monetary-credit policy aimed at restoring and supporting the stability of the ruble. Our possibilities are quite limited. Our decisions are only binding on those banks whose representatives signed the specific protocol expounding these decisions. Some did not sign—so, nobody can lay the law down to them.

Certain functions of the former USSR State Bank, bequeathed by the force of inertia to the Central Bank of Russia, have transferred to the Council. Now, for example, on the basis of prognostic evaluations of cash turnover in Coordinating Council participant-countries, the Council itself will define the volumes of emissions for each country overall, and give the monthly breakdown.

The Coordinating Council will receive regular reports on the cash supply situation in these countries, and its participants have also agreed to an exchange of central bank balance sheets. Incidentally, our bank has already circulated its balance sheet, but it is still awaiting reciprocal gestures.

The Council itself gathers at conferences like those mentioned earlier, which are held in a different state capital each time. In the meantime, our working group,

assembled mainly from specialists from the Central Bank of Russia, deals with day-to-day affairs.

To give you an idea of what goes on at "high-level" banking meetings, I will recount the decisions which were adopted in Bishkek. We agreed to coordinate ceilings for bank charges [stavki] and interest rates on credit intended to refinance commercial banks, and to coordinate reserve requirements (at a level of approximately 20 percent). We agreed to joint regulation of foreign currency rates against the ruble. We agreed on a uniform methodology for accounting and interbank transactions, a single approach when specifying state budget deficits, and general requirements when opening bank departments and branches. The central banks of neighboring countries agreed to pay us to print rubles for them—calculated at roughly 2,000 rubles for 1 million in nominal value of the banknotes being handed over—and also to deliver this money. In turn, the Central Bank of Russia has undertaken to liquidate the cash crisis as soon as possible.

[Panasenko] Agreements are all very well, but I, for example, am not convinced that they will be honored. For instance, how can we talk about the coordinated regulation of foreign currency rates against the ruble if even on Russian territory—that is, in the area covered by your bank—the dollar rate varies from region to region, at times leaping by 50 percent! There is no single money market in the country, but there are several regional ruble markets, plus the imminent national currencies: Estonian, Latvian, Ukrainian, Byelorusian, Kazakh, even Chechen....

[Ivanov] Unfortunately, a lot of what you say is right, and we are trying to discuss these questions, but nothing is simple here. For example, the leaders of the Bank of Estonia are saying firmly: Yes, we will introduce the kroon, but we do not intend to pull out of the ruble area. The very idea is too vague, and this is the problem. In order to defuse potentially dramatic consequences, we compiled another document in Bishkek, or, more precisely, a draft: an agreement on coordinating actions and defending the interests of ruble zone states should any one of them introduce a national currency. Here, the following things are envisaged: sufficient advance warning; the drafting of a special agreement with the Central Bank of Russia on the procedure for mutual accounting; lack of discrimination against the ruble; and the designation of a third bank from among Council participants to monitor the "demarcation" between the Central Bank of Russia and the relevant national bank. It also contained a threat applicable to those who fail to observe the aforementioned points. The draft was signed by everybody except Azerbaijan, Georgia, and Lithuania. We were relying on the draft becoming a document at the conference of CIS heads of government in Tashkent. However, as I was told, it was not even examined....

[Panasenko] What do the IMF representatives think of all this? As far as I know, right now they are highly concerned over one thing: preventing all CIS countries from "going their own way" once and for all from the point of view of finances, and persuading them to keep the ruble zone in "working order"....

[Ivanov] Naturally, this will not please them. They understand that it is impossible to talk about ruble convertibility or a stable ruble if action in the financial sphere is not agreed by all countries using the ruble as its means of payment. In finance, as in the economy in general, politicians have taken the lead in our country. Nobody is listening to the professional bankers. This could all come to a very sorry end. I have not yet lost the hope that we will be able to find a common language and speak together. Although there is not much time to do this.

Hokkaido Governor Yokomichi Arrives in Sakhalin

LD1106142392 Moscow ITAR-TASS in English 1019 GMT 11 Jun 92

[By ITAR-TASS correspondent Yevgeniy Belovitskiy]

[Text] Yuzhno Sakhalinsk June 11 TASS—Hokkaido Governor Takahiro Yokomichi arrived in Sakhalin on Thursday [11 June].

The governor is being accompanied by a group of Japanese politicians, businessmen and representatives of the Ainu people.

"I've brought friendship to the island," Yokomichi said at a news conference at the local airport upon his arrival. He expressed hope the visit will help foster friendly and cultural ties and mutual understanding between the people of Japan and Russia.

Yokomichi will meet with local business people, artists, journalists and residents. He will also attend a symposium devoted to the problems of signing a Russian-Japanese peace treaty and prospects for economic and cultural cooperation.

Speaking about the territorial dispute between Russia and Japan viewed as the main obstacle for signing a peace treaty, Yokomichi said the problem should be solved at a governmental level and stressed the need to promote trust between the people of the two countries.

Analysts believe the main aim of the visit is to study the public opinion and Sakhalin residents' position on the territorial dispute on the eve of Russian President Boris Yeltsin's upcoming visit to Japan.

Opposition Over Kuril Islands' Future Noted

OW11061937 92 Moscow INTERFAX in English 1600 GMT 11 Jun 92

[Transmitted via KYODO]

[Text] Changing Russia's borders can only be decided in a general referendum, a leader of the block of parliamentary opposition "Russian Unity" Sergey Baburin said at

a press conference Thursday [11 June]. He called for a law to be passed prior to the adoption of the new Constitution.

Baburin's statement concerned the Kuril Islands which he recently visited. The deputy said that talks on the transfer of 4 of the Kuril Islands to Japan should be suspended. He called this "a path to the destruction of the Russian state".

Baburin said that the social and economic situation on the Kuril Islands is very complicated: shipments of food, consumer goods, and building materials are very light. Baburin said a resolution should be passed by the government and Parliament on the development of the Kurils.

Baburin said Japan is trying to turn the Far East into its "raw material adjunct".

Need for 'New Collective Security System' Noted

PM1106133192 Moscow KRASNAYA ZVEZDA in Russian 6 Jun 92 p 2

[Lieutenant Colonel R. Mustafin report: "There Is No Immediate Threat to Russia, but a Military Danger Exists. This Is the Conclusion Reached by Participants in the International Conference 'Democratization of Society and Military Security' That Has Just Ended in Moscow"]

[Text] Prominent scientists, political analysts, diplomats, and clergymen from more than 20 countries, including NATO member-countries, took part in the work of the conference. The significance of the conference, which, according to Professor Nikita Chaldymov, chairman of its organizing committee and president of the "Army and Society" association, was a success, lay in the fact that it brought together top military and civilian professionals working in the security field to exchange opinions and formulate recommendations for the power structures in Russia that are making decisions and defining military policy.

Dozens of reports were heard. At the same time, considerable attention was paid to examining security issues in present-day conditions following the end of the Cold War. Today there is no direct military threat to Russia, nobody intends to attack us—this was the conclusion of the three-day debate. However, it was stressed at the conference that this certainly does not mean that a military danger no longer exists. It also consists, for example, in possible religious, national, ethnic, theological, and other conflicts on former USSR territory. Moreover, this danger exists not only for Russia but for other states as well. This is why it is so important today to be aware of the need to create a new collective security system.

The speech by Professor S. Blagovolin was of interest in this respect; he believes that in formulating Russia's military doctrine it is necessary to envisage a degree of compatibility between it and the doctrines of Western states. According to British Air Vice Marshal Tony Mason, European Security Institute President Monique Garnier-Lanson, and other foreign participants in the conference, general points of compatibility can already be found. These are primarily the participation of Russia's Armed Forces and those of the West in UN peacemaking operations in "trouble spots."

One of the most heated debates was probably the one about the issue of the place of the army in the new conditions. As before, the army remains the guarantee of national security and the principal means of ensuring it. Therefore the democratization of the army and society should certainly not mean the substitution of lawlessness and anarchy for strict subordination, it should mean the replacement of orders by the achievement of consensus. The armed forces, it was noted at the conference, should operate on a strictly legal basis.

Federation Affairs

Yeltsin To Resign as Chairman 'Within the Year'

LD1206135792 Moscow ITAR-TASS World Service in Russian 1329 GMT 12 Jun 92

[By ITAR-TASS correspondent Gennadiy Talalayev]

[Excerpts] Moscow, 12 Jun—President Boris Yeltsin, who is on a working visit to various rayons in Moscow, visited the area northwest of the capital. A modern sausage works, the joint Russian-Spanish enterprise Kampomos, is located there. [passage omitted]

The Russian president said he would be making an official visit to Spain in July, where he also planned to visit the international exhibition in Seville and attend the closing ceremony for the Olympic Games. Asked in what capacity he would be going to Spain, as president or as head of government, Boris Yeltsin said: "As soon as I see that Gaydar's team is strong enough to make it possible for me to quit the post of chairman of the government, this will be done. No sooner and no later. But this will take place in a few months, certainly within the year." [passage omitted]

Yeltsin Discusses Reform Policies, U.S. Trip

LD1106190792 Moscow Russian Television Network in Russian 1630 GMT 11 Jun 92

[Interview with President Boris Yeltsin by Oleg Poptsov, chairman of the All-Russian State Television and Radio Broadcasting Company, and Igor Golembiovskiy, chief editor of IZVESTIYA, with Vyacheslav Kostikov, the president's press secretary, in the Grand Kremlin Palace on 10 June—recorded]

[Text] [Kostikov] Esteemed television viewers of Russia, we are here in the Kremlin, in one of the rooms of the Grand Kremlin Palace meeting with Russian President Boris Nikolayevich Yeltsin. A year has passed since the election of the first president in the history of our country. As you know, a president has for the first time

been elected by the people and he is answerable to his people. We have gathered here today to talk about our problems, difficulties, and hopes with the president and with you.

Participating in the meeting is Igor Golembiovskiy, editor in chief of the IZVESTIYA newspaper; Oleg Poptsov, the president of Russian Television; and Vyacheslav Kostikov, the president's press secretary. Over to you, Oleg Maksimovich Poptsov.

[Poptsov] Boris Nikolayevich, first I would like to thank you for finding the time for this interview which, generally speaking—and I make no secret of this—the television viewers are eagerly awaiting. I would like to take up the baton proffered by Vyacheslav Vasilyevich about the president's year. This topic is on everyone's lips, it is a topic in the newspapers. I would like to put it like this: If you had been elected 10 days or a week ago and were just beginning that presidential year, what would you regard as necessary, what would you repeat, and what would you discard as an error or mistake?

[Yeltsin] Thank you for the congratulations. We have decided to declare 12 June, Free Russia Day—and the Supreme Soviet has resolved to declare it—a nonworking day. Not that it is a holiday. This is no time to celebrate, but nonetheless it is a nonworking day. Of course, if you had asked me a year ago on 12 June what things would be like on 12 June 1992, I could have been very wrong. This is mainly due to the fact that the Union is no more. Nevertheless, events from 12 June to 19 August were following a course whereby we were jointly preparing the Union Treaty. We were expecting the Union to continue to exist. We were only fighting for greater autonomy for ourselves within the framework of the Union and trying to hand over fewer functions to the Union leadership itself. That was our main task. That was a task which led to many years of painful reforms since the Union leadership of the time, particularly on economic issues, was not sufficiently well-prepared psychologically, politically, and morally to carry out such reforms.

Well, the putsch of 19-20 August turned everything upside down. It practically destroyed the Union. After that there was the breakup into separate states, which had to somehow be kept together nevertheless, if only for the sake of economic ties because rupture was inevitably intolerable and would have led to collapse. But at the same time another opportunity opened up for us—that of becoming an independent Russian state with its own independent domestic and foreign policy. An opportunity opened up for us which unfortunately we had been unable to exploit for seven years—to begin economic and political reforms, especially economic reforms, the transition to a democratic, rule-of-law society, to a market economy which we began on 2 January this year.

Therefore, if you look at it from that point of view, beginning on 19-20 August, they foresaw today's situation. The fact that today reforms are being carried out, however difficult, the fact that today it is difficult for people, this was spoken of three months before the start of the reform, that this year would be the most difficult. The fact that we have crossed one of the toughest hurdles—the months of April and May—indicates that the reform must and will survive. I believe that. I do not now take back my final predictions for 1992, and did not do so during the election campaign, however difficult it may be: The end of the year will see the start of economic stabilization; the start of the fall in prices; the start of the improvement in people's lives. I still believe that today.

[Poptsov] What would you discard, taking the view that some steps should not have been taken?

[Yeltsin] When I am accused of being to blame for the breakup of the Union, I cannot agree or take that blame on myself. This must be laid at the door of the putschists—and, no doubt, of the leadership of the former Union. What would I discard? I would not discard the strategy of reform. As for adjusting the tactics of reforms to some extent, we examined this question after the Sixth Congress and made some tactical changes, from the point of view, say, of free prices for energy sources, from the point of view of more preemptive social security, particularly in the budget sphere, and so on. So that the blows on enterprises and individuals were somewhat lighter, the blows that they are now experiencing at the present time, so that this work could be carried out a little more easily.

But nevertheless, price increases in the period of the transition to the market have been experienced by absolutely every state that has abandoned the plan system. This was inevitable... this step was inevitable because there was no going back for us. What we went through for 70 years, even with the present difficult situation which people are experiencing now, when every month I am somewhere in the krays, oblasts, and republics then yes it is difficult, yes there is acute criticism, including the president.

And so you ask: What should we do, abandon the reform, turn back? No, we have been there; we do not want to go back. It may be difficult, nevertheless. Of course, give us better social security measures and we must endure the reforms.

[Golembiovskiy] Boris Nikolayevich, you are quite right. The main thing is the reform: economic and political. But society's attention is currently focused on the economy, since as soon as we enter a shop we all become economists. And you have already explained the situation. But may I ask you a question: Everyone understands the need for reform, but at the same time we know—and you know very well—that it does not enjoy popularity now, as if life is getting worse and worse, and so why are reforms necessary? And this is used by the opposition who persistently summon us to a bright past. And meanwhile the reforms are at a standstill, in my view, because fundamental questions are not being

tackled: land, ownership, privatization, guarantees for Western investments, and so on.

I would like to hear the president's explanation, and to ask: What is the solution? Everything is standing still. You say quite correctly that there are only two paths, either forward or backward, there is nothing in the middle. To conclude my question, allow me to say this: Russia looked to you with hope and, however tough things are, looks to you with hope even now. We in the news business know that.

[Yeltsin] Yes, I can explain. First, why did we fail to embark on economic reforms for seven years, since 1985?

[Golembiovskiy] Are you asking me about this?

[Yeltsin] Yes. Or myself or the television viewers, and I am clarifying this. Because it means an inevitable decline in the popularity rating of the leaders, those who implement the reform.

[Golembiovskiy] Yes, it is unpopular.

[Yeltsin] These are unpopular measures. And after all, this was mentioned three months before the reform started. It is true it takes personal courage, too, to do that. It is true, one failed to go for it for seven years.

That is why, when people say things are tough for everyone, it is tough for the president, too. Let us try to find an analogy. Ronald Reagan was president of the United States for eight years. You remember his Reaganomics. It was an entirely new approach, although it was a market approach, it was a new policy in the economy: a correlation of federal and local budgets and so on and so forth, a whole range of such packages. But thanks to the fact that he went for it he remains in the memory as one of the country's strongest presidents—apart from Washington, Roosevelt, and so on of course. But his popularity fell at precisely the moment when he started to implement unpopular measures—it fell to 18 percent.

That is why, when I stated that I will not run for another term as president, after 1996, again I am sweeping aside another hurdle so that I do not have to keep one eye on my popularity rating. That is not why the reform should be pursued; it should be pursued for the sake of reform itself, and if we only work for popularity, we will be working so hard today that we will never get out of the hole we have fallen into.

That is how I explain popular and unpopular measures. True, unpopular measures were inherent in the reform from the outset, and they will continue. If you and all Russia's television viewers ask me where are prices going next, I will say to you: Prices will go on going up. I call April the decisive month in this respect. Why? If we had done in April what the IMF was proposing—that is, release prices completely, introduce free prices for fuel—we would all have witnessed a total collapse.

We therefore made the only possible decision in April: not to take that step during the winter and the sowing period but to postpone it to a later date, to move by stages, regulating fuel prices although this is contrary to the IMF's program today. Today this is delaying the opening of the second front, so to speak, of Western support for Russia's reforms.

But why are the IMF's $24 billion important to us? Because this credit opens doors, it will be followed by private capital which will not give Russia credits, but make direct investments. And here it will not be a question of 24 billion, but of hundreds of billions—I hope you heard President Nixon's statement, the figures he mentioned. But here it must be recalled that unfortunately the Supreme Soviet has not yet adopted the 1992 budget—another delay by the IMF and so on.

Germany's Mr. Keller, secretary of state, has brought me an invitation to the G-7 session on 6 July, and it will be handed to me after this interview, perhaps. I think my official visit to the United States on 16 June and participation in the G-7 session will finally cut this knot. But we, in our turn, must adopt a series of measures which, to put it crudely, will allow the West no opportunity to harp on at us about details. Everyone must realize that if the reform collapses here in Russia, it will affect the whole world. Yes, the whole world, and the United States in particular.

At the Russian Security Council today we discussed the question of a global reduction of strategic nuclear weapons, but it should be equal reductions with the United States. I believe Mr. Bush and I will succeed in signing the basic framework agreements on this question. It is a reduction amounting to billions in expenditure which is being made just to increase or maintain our nuclear forces.

We have a clear idea of the future stages of a program for reforms and I do not believe one can say that Gaydar's team is being destroyed. Indeed not! As a result of the criticism at the Sixth Congress of People's Deputies we brought four people on additional posts, experienced industrialists, into the government. That is justified and not destroying Gaydar's team. It will continue to operate as a reformist team, as a young, decisive, strong, and intelligent team. And it will face no obstacles. All the talk about my alleged deviation from the reforms, about my becoming more conservative than I was a month or two ago or on 2 January, is untrue.

[Golembiovskiy] That is very important.

[Yeltsin] Again and again I say in no circumstances will I allow any deviation from the reforms. Just as I will not let myself be ousted from the post of Russian president. Some people naively believe that you can impeach a president if you collect a few signatures. There are only three possible options under the Constitutuion: I resign—but I am not going to do that; I commit a crime; or I am so sick that I am in no fit state to govern the state.

[Poptsov] You won't do that either, hopefully.

[Yeltsin] My last medical examination showed that I am healthy. So you need have no doubts on that score.

[Poptsov] Boris Nikolayevich, you have brought the conversation round to a very serious topic. In the end, the fate of the reforms depends on the ability to withstand a social explosion. In this connection I want to ask the following question: What is your view of the opposition, and who are they, those who oppose you? Second, does the president have a concept of relations with the opposition, and to what extent does the president think he can give in to the opposition. Because compromise is a realistic possibility, but there are situations where a president must say no.

[Yeltsin] In the first place, the party's total monopoly on power is over and done with here. I am referring to the CPSU. I think that the Constitutional Court will conduct an objective investigation into these issues when it starts on July 7. We now have more than 20 different parties. But there is no single major party that can realistically aspire to a new nomenklatura and privileges. When they say to me: Create a presidential party, again and again I answer: No! Because if you give them benefits, create a gravy train, give them money, and create a nomenklatura, they will gradually organize a second CPSU and will take over the state again.

There is no need to create a presidential party. Let there be 20-30 parties; there are around 1,400 in Czechoslovakia. Let them develop, and I, as president, must have contacts with them, have definite relations with them, otherwise, of course, we will have recriminations and destabilization. If the president is abused, I would regard that as petty, so I simply would not want to have dealings with such a party. If the president is criticized and his work is thoroughly analyzed, I will listen, because I consider this essential on the part of the opposition on condition that the criticism is constructive, businesslike, and practical. But sometimes you get unfounded criticism, and that, of course, is not nice, and I, like anyone else, am sensitive about that.

But now the media enjoy such freedom that they can represent the president in whatever way they like. It hurts, sometimes it makes for sleepless nights. This does happen, of course, because I'm not made of reinforced concrete or metal, I'm a human being like everyone else and I have human sensibilities, including emotions.

So, you have to work with the opposition. There is a limit. That limit is calls for the overthrow of constitutional organs of power. If such a call is made those making it have to be dealt with by the prosecutor's office. And this does not mean the dissident situation all over again. No way! Strictly in accordance with the law, with the Constitution. If a party is registered, if its statutes contain, or rather if its statutes don't contain anything that conflicts with the Constitution or the law, then let it operate in accordance with those statutes. If the statutes are not registered, or if the party alters its statutes and begins to operate in breach of the Constitution and the law, then its registration must be revoked. That is the relationship with the opposition.

We must all get together now and elaborate measures that will be realistic and will contribute to the reform and, at the same time, as far as we are able, will protect the poor strata of the population above all.

[Poptsov] Boris Nikolayevich, you were partly behind the idea of a referendum. It has given rise to controversy, and it appears to me that you too are changing your mind about it somewhat. How do you view the idea now, because it also marks the dividing line between...

[Yeltsin interrupts] I understand. Yes, I did make that statement. But I would say it was not such an official statement. Now, for instance, we are having a pretty official conversation. But when I was in the midst of tens of thousands of people in Altay Kray and Buryatia, it should possibly be viewed in terms of improvization. But the idea was there and it remains one idea. But we do not have to follow that path. There is the Supreme Soviet, which could resolve a number of problems. There is the Congress, which nobody has yet abolished, and which could resolve a number of problems. You are talking about land—but why didn't the Congress resolve the land issue? And that put a stop to land reform right away. And incidentally, it is one of the reasons why foreign investors are not actively coming to Russia. It is one of the factors. Because when they arrive at a privatized factory which the builders have not finished putting up yet and are told: But the land is still ours. And then a year later they are told: No, to hell with your factory, get lost, get off our land. And this kind of thing frightens them all off.

There are no attitudes like that in the civilized world. And we do not have the laws that will allow us to do away with them. So here we are badly lagging behind, from the viewpoint of a civilized approach to this reform. And we are rebuked for this abroad. I believe this to be a serious mistake, not by myself as president, but by the Congress and the Supreme Soviet. If they were to follow a more constructive path, it would be possible to do without a referendum.

[Golembiovskiy] Thank you, Boris Nikolayevich. Can I return to Oleg Maksimovich's first question? You are the president and you do not have a political party, that is, an organized political force, behind you. This is deliberately so, and as far as our reaction is concerned, it is something that we welcome. But you must have a social power base, am I right? So I would ask: What is this power base, in your opinion? Whom do you rely on?

[Yeltsin] It is a unique case when 150 million people in a state participate in a direct presidential election. This is unique in the world. That is it—the president's main social base. To count on, excuse me, but to count on a party which, whatever the case will have a significantly smaller social basis than those people from all sections of the population—be they larger or smaller...[Yeltsin

changes thought] Incidentally, there is more support from young people, which is interesting. Why? They understand the reforms better.

[Golembiovskiy] They are free from dogma.

[Yeltsin] Yes, they are free from fixed ideas, from dogma. They can see that they will subsequently be given greater freedom of choice, activity, business; the chance to earn more, and, what is more, there are no restrictions. Young people support this very strongly and, for example when I meet with tens of thousands of people during my trips, I see more young people than members of other strata of society. I get less support now from the intelligentsia; evidently it has lost its faith a little.

[Golembiovskiy] I do not think so, Boris Nikolayevich.

[Yeltsin] You do not think so?

[Golembevskiy] No.

[Yeltsin] I am very concerned for culture.

[Golembiovskiy] I do not think the intelligentsia's faith has declined. I would like to say simply that we probably have more information on this than you.

[Yeltsin] You are making me feel more optimistic on this count then. Although I consider that our culture now is in a dire state. People in the culture sphere have grounds for dissatisfaction with the president, you see. Science is in a bad way, is in difficulties. But, I repeat, this is the most difficult year. The most difficult one. If we get to the end of the year without any major cataclysms then we will get out of the crisis. And I am sure we will.

[Poptsov] Boris Nikolayevich, your numerous trips around the country allow you to get a feel for the social base of support for the reforms. You have recently been to Altay, Buryatia, and just now you have been to the industrial heart of Russia, the Urals. You have talked with tens of thousands of people. They are telling you: Move forward.

[Yeltsin] The most interesting point is this: I think that the people are perhaps a little restrained when they meet me. For example, I have just been in Nizhniy Tagil, at the Urals freight car plant and the metallurgical combine on 7 June. They are two enterprises in the same city, but people's mood is different. Why? The metallurgical combine has sharply expanded production and the range of consumer goods and has begun to sell goods for cash. And it has removed the wages problem. The Urals freight car plant has not done this. So the moods are different.

In the Russian Security Council today we touched on the question of cash and decided to refer it especially to a session of the Security Council. Not the government, but the Council, because this too is a question of the security of the Russian state. These problems of ours have already been examined. I think we will find a solution. Measures are being taken right now to gradually remove this problem from the month of July, step by step somehow, but we will remove this problem from July.

[Poptsov] Boris Nikolayevich, what if I ask you quite a tough question: As president, do you think you are in control [vladet] of the situation in the republic? And in connection with this, every person defines their success in life according to three components: life has become more comfortable; life has become less troubled; and I am happy because I am free. I would like to ask a question about whether life has become less troubled. Obviously, the stock in which power is held begins to rise when an offensive by the criminal world is under way. In this connection, do you see yourself as a president who can put a stop once and for all to the expansion of crime and who will go down in history as a president who did this by democratic means?

[Yeltsin] I can tell that you have prepared for this carefully.

[Golumbievskiy] We do not get the chance to meet the president that often.

[Poptsov] I think that this is what you are concerned about all the time.

[Yeltsin] First, I am in control [vladet] of the situation in Russia. Today I have seven independent sources of information. They are different, but there are sources that tell me extremely unpleasant things, I would go further, that select this information for me.

[Poptsov] Is it worse than the information in the press?

[Yeltsin] It is worse than the information in the press.

[Poptsov] And on television?

[Yeltsin] And on television. Although black tones are rather predominant in the press and on television and, in my view, this does not have a very good effect on people's frame of mind. They are already having a hard time. Then there is this constant bombardment: Everything is depressing, terrible, there is no way out, and so on and so forth. In my view, this is not altogether correct. But what can we do? We do not control the press. There is no censorship. So you look to this yourselves, so to speak. This is on the conscience of every newspaper and every television channel. Although Russian television is more malicious in its comments on the president's actions and the situation in Russia than Channel One. Sometimes I cannot understand this, Oleg Maksimovich.

Further, in my monthly trips around Russia I do not choose exemplary showcase regions so to speak, as used to happen, the more prosperous ones. And in our country there are both more prosperous and less prosperous regions. Wherever the leadership of the oblast, kray, or republic is vigorously working for reform and finding its own road, the situation is less tense. But in some regions the situation is very grave. As I have already said, I have visited three regions in just a month, and next month in July, I would like to say specifically so

that the issue does not arise, that I am talking about Omsk and Orenburg Oblasts and Kalmykia.

So I am there every month and I have meetings, not at party and industry aktiv sessions with selected participants, everyone with a pass, with a special stamp: This one can be let in. No! There are meetings between my group and yours, they take place in various circumstances, and they have to run a lot so as to make the meetings between the president and the people—in the streets, in shops, at factories, in all kinds of situations. And therefore this too is, as I call it either the first or the seventh, channel of information and it gives the idea that nevertheless the overwhelming majority of people are getting by.

Incidentally, at work things are slightly easier since the leader decides on pay, subject to his possibilities. It is now only the cash problem that is creating such a difficult position. If we remove the question of cash, the situation will change somewhat for the better.

Now for the budget-financed sphere. We are now defending it more vigorously than maybe at the first stage. It was so much in the power of the bureaucracy, that we adopt a decision and people receive a pension increase only two or three months later. We decided to increase pensions and the minimum wage preemptively from 1 December, a month before the start of the reform. Pensioners received the increase in March. The entire social sphere, social security is so, I would say, uniformly difficult. It is incredibly hard to fight your way through it and reach people. We have even taken the path of one-time payments in addition to pensions and the minimum wage. So I am in control, yes.

About crime. Although people curse the militia, I think that this is unobjective. Of course the militia and the Security Ministry must take appropriate measures and protect people from criminal elements. But you cannot fail to make the connection between the present state of the economy, the crisis, and the difficult, disastrous situation in which people find themselves and crime. Of course these two problems are connected. Moreover, in any country the transition from a planned economy to a market economy is associated with a temporary lowering of living standards and increase in crime. That is no excuse and a number of decisions have been adopted: The decree on combating corruption has been adopted. And it must be said that both ministries—internal affairs and security—have swung into action and the places where masses of money are ending up have now been identified.

Can you imagine the sabotage that is going on in various bodies, and even places, so as to create difficulties? Money is accumulated in huge quantities in one place. First a loan is obtained, then this loan is turned into cash, and then huge sums are stored. They have found apartments, even big rooms full of money. Opposition is coming from here. And this decree on combating corruption has now become very active although I do not think that it is...

[Poptsov interrupts] Ideal.

[Yeltsin] Not ideal. Maybe it is insufficiently comprehensive. But it is a first step, and it must be followed by a whole package of measures. Point two: We in the government have discussed the question of strengthening internal affairs organs, both in terms of numerical strength and especially in terms of the level of technical equipment, which in our country is among the worst in the world, I think.

[Poptsov] Incidentally, at the government session you took up a fairly tough position regarding increasing numbers. You said that we can cut the army, and here it is as if....

[Yeltsin interrupts] Yes, experience has shown that merely increasing the numbers of militia will not solve the crime problem. The social base must be changed, the economy changed, and then everything else will change accordingly.

[Golembiovskiy] You cannot put a militiaman next to everybody.

[Yeltsin] Absolutely right!

[Golembiovskiy] Boris Nikolayevich, could we change the subject? You have already touched on it. You are about to visit the United States. This is a very important visit for Russia, and a very important visit for the United States, judging by the information we are receiving from there. I have encountered the opinion, in my own editorial offices, which expresses a certain regret that it used to be representatives of a huge power that frightened the whole world who traveled abroad. Nevertheless, it was a large, powerful country. But now the president of Russia represents a country in a rather shrunken form. In my view, values are completely different. You are perhaps the first president in our history who can travel abroad with head held high, honestly and proudly, because there are much higher values than tanks and missiles... freedom, independence, and the desire to organize a normal life for people. In my view, this outweighs all the rest. I would like to ask about your feeling. How do you feel when you represent our huge country?

Formerly, say, the United States and the former Soviet Union were regarded as superpowers. Their opposition, confrontation, or departure from cold war determined the climate throughout the world. But in essence this superpower status was determined by the quantity of nuclear weapons: 36,000 nuclear warheads on one side, and about a few more, 40,000 on the other side. We knew no other criteria. Even living standards were not taken into account. This was secondary. We want to change the situation in such a way that people's lives are the

primary consideration. This is more important than everything we are all—and the president above all—working for.

At the moment we should not compare ourselves with the Americans in this respect. It is necessary to make deep cuts in nuclear weapons, not unilaterally but on a basis of parity. We cannot allow people to live in poverty solely because of nuclear weapons, over 50 percent of the people to exist below the poverty line because we have so many nuclear warheads—12,500 strategic ones alone. Why so many, if 1,000 can destroy the entire planet?

So, the first thing is: The destruction of tactical nuclear weapons. Tactical nuclear weapons have been completely withdrawn from the territory of all three states—Ukraine, Kazakhstan, and Byelarus—and are now being destroyed, in Arzamas-16 and Chelyabinsk-70. About strategic weapons: In Lisbon, at the CSCE, these states signed a protocol saying that they will be nuclear-free states and are signing the nonproliferation treaty, that is, Russia will remain a nuclear state. Naturally, this gives greater certainty from the viewpoint of control [upravleniye], safety in operation, accidental launches, and so forth. Therefore Russia remains a great power in terms of many components.

And if you take history, whose is richer? Russia's? Not the Soviet Union's, but Russia's. The United States, which is a little over 200 years old? Or Russia, with its history stretching back over thousands of years, with its spirituality, culture, traditions, art, scientific and creative potential, and the skill, professionalism, and endurance of its people? With their character and patriotism. Not jingoism but genuine, full, real patriotism.

People's living standards and so forth still have to be taken into account, because a true superpower incorporates a whole range of such considerations and not only the quantity of nuclear weapons.

Why is the whole world, or most of it at least, watching Russia today? Watching with such sympathy? The world is worried about how our reform will go, and people are sincerely concerned. And if they offer support for our reforms, we should not regard that as a mere sop. I am not going to the United States holding my hand out. No, I want to hold my hand out to the U.S. President. In my speech at the joint session of the chambers of Congress I want to hold my hand out to the whole American people: Let us cooperate, let us be partners, let us end the era of confrontation. Let us not regard each other as potential enemies, but allies. Let us set up a universal nuclear missile early warning system, so as to take the whole world under our protection. This would be a joint technological project under joint operation. There are some very interesting proposals for this visit.

[Golembiovskiy] You have already expressed this idea, have you not?

[Yeltsin] Yes, when I was at the UN Security Council session and was invited to Camp David by President Bush, I put it forward as an idea. At first they received it in silence. Now, having analyzed it, the Americans have come round to the view that this is a rational idea, to set up a joint system of surveillance over the whole world. We launch 24 rockets into space, they launch 24—48 rockets in joint operation and surveillance over the whole world. And that's it. They send something up from Iraq or somewhere else, and we know about it immediately.

[Golembiovskiy] I nearly named another possible place.

[Yeltsin] Well, yes, we will not go into that right now. But there are another two or three countries that have to be kept under watch. That is what this system is for. Also, it is considerably cheaper than ABM, although we will not abandon that just yet. It is even cheaper compared with SDI. But if we compete—if the Americans embark on creating SDI and we start creating something similar, then we will become complete paupers. Because this is not going to require hundreds of billions, trillions will have to be invested in space in order to set up such a system.

[Poptsov] Boris Nikolayevich, I would like to bring us back to our fatherland again. It is natural that all kinds of forces attempt to exert pressure on the president. That is inevitable. You have already expressed your position very precisely—that the policy will not change. Nevertheless, the reorganization of the government that has been carried out is put together with some other phenomena—Shakhray's resignation, Popov's resignation. Is the government reshuffle a compromise, or is it a consequence of pressure from [other] forces—especially since you were just talking about disarmament, and we have seen quite a lot of political galvanization of the military-industrial complex within the country?

[Yeltsin] First, it is useless to pressure me. For your information, I do not yield to pressure. Cooperation or negotiation with me is possible. Go ahead! By anyone you like. But I cannot be pressured! It is a different matter that we are currently in a so-called transition period. In other words, we have jettisoned the administrative edict system but have not created a new system, and therefore we have enterprises which have rapidly gone in for flotation and privatization, while there are also enterprises committed to the conservative methods of leadership that used to exist—and there are considerable numbers of them, particularly in the military-industrial complex. That is quite true. But the government team which has been put together is going boldly for reform. But at the same time, when these sectors started to suffer we felt that during the transition period there have to be some figures who, while believing in and supporting reform, would nevertheless be able to work with those enterprises which are still in such a state and which are still loyal to administrative edict methods.

There was therefore—and I said this at the Congress—a need for three or four people whom we would take on

with definite production experience. But not the kind of people who would lead us away from the strategic course of reform.

[Poptsov] Let us put it this way: A concession to life rather than to the Congress?

[Yeltsin] You know, it is a concession to the logic of life, of today's situation. And not even a concession. I would say, perhaps, several tactical... [pauses]

[Poptsov] The filling of tactics with other content?

[Yeltsin] Yes. A small tactical change. And that was welcomed—apart from those who criticize any step. If something is not done properly, you are criticized. If you promise, you did not carry any industrialists with you. If you do something, another side criticizes. You see how Gaydar's team has been disturbed. The Gaydar team is and remains in place . On 5 June I got together with all the deputy prime ministers—plus Burbulis and myself. We agreed to talk not about global problems but about Russia—about our relations and, as it were, what would happen in our country. We all came to the conclusion that, first, we are all devoted to reform; second, a unified team remains in place; third, Gaydar's authority must be enhanced; fourth, yes, I will hold on to the post of chairman of the government a bit longer—maybe a few months. But when I see that the team has become strong enough that a new premier can be nominated I will immediately agree to that because it's hard for me in purely physical terms, not to mention other factors of a political nature.

I am asked: On what principle do you choose people? Where do they come from? The first thing, of course, is professionalism. Second, he must be no older than I am—I have already spoken about this, and there is no one [older than I am]. Third, support for reforms and the relevant work. Fourth, to a certain extent, of course, support for the president personally, because I do not want to end up in the role of Gorbachev when he was betrayed by his own entourage. And if you recall the time of the putsch, on 19 and 20 August, none of the comrades in arms selected by me defected. Give me just one name.

[Poptsov] Why do you say that? Of course...

[Yeltsin interrupts] Precisely! There aren't any!

[Poptsov] I believe that.

[Yeltsin] Exactly! There aren't any!

[Golembiovskiy] Boris Nikolayevich, all the people around you are so different—I am speaking about your team, that concept. But in your team they are not all identical.

[Yeltsin] But I would not want everyone to wear the same uniform, as is the case in some countries. To be buttoned up to the last button and in the same color, marching in a straight line, in close formation. Yes, they have to be different people, without doubt. And they should not hold the same opinion. And let them think in different ways and, on the contrary, enrich that reform with their different approaches, but they are fighting for the main strategic direction, for the implementation of this reform. And I am sure of this. I am sure they will not betray me suddenly at some difficult moment. I am also sure of this. I am sure of their decency, which I value very highly—their personal decency and modesty, which I also value very highly.

I took away everybody's Zils [limouzines]—everybody's, the president's and everybody else's.

[Golembiovskiy] But the president could have been left with his.

[Yeltsin] But I am also criticized like this: What is going on? The president is driving a foreign make, a Mercedes. Really, this Russian state has such possibilities, and yet he drives a foreign make. We really should think about whether the president should not return to this issue. But at the same time, let me tell you: nobody reacted. They drive Volgas, and it is all normal, and nobody has said: Boris Nikolayevich, why do it? Well, we will simply sell them to certain structures. Let them organize weddings, forms—the social service system, and somewhere else. [sentence as heard]

[Poptsov] I wish to ask a personal question. During a fleeting conversation when you were looking through your diary you said: I cannot do that that day; I have to attend a church service. And when I asked you a question, you said that once a month without fail you attend a church service. What is this—a requirement, a gesture of respect to the church, or some kind of inner matter?

[Yeltsin] This is also a difficult question. First: I was born into a peasant family, and my great-grandparents, grandparents, and parents were and are believers, although I have now been to Sverdlovsk, as you know, on my own family business, among other things. The situation there is difficult. Some things are programmed in the genes—love for the land, faith. When I was a Communist, of course, I was an atheist and believed that all that was correct. But a new outlook on things is emerging—undoubtedly linked with both my state of mind and the situation in society.

But you are right, it still means support for religion. There are different faiths, but I must be respectful and help all of them. Sunday is Holy Trinity, and I will go to church. I regard this as normal and do not consider it necessary to make a great fuss about it along the lines that if I go to a church service, I have to believe 100 percent in God. Why, if at that moment I feel a certain comfort? In church I am cleansed in some way. It is the only place where you don't have to think: What is going on in such-and-such a place? It is difficult to explain this state, but for me it has become not only personally and spiritually essential but also politically essential to support religion. We have now given it the status of a legal person, and there is a special program for modernizing

and building churches, mosques, Buddhist temples, synagogues, and so forth—above all, churches, of course.

[Golembiovskiy] Boris Nikolayevich, may I ask another question? You have talked about the criticism showered on the president by the press and the mass media. After what you said I wanted to say: Thank God we live in the kind of society where for the first time we have the opportunity to be really critical of the top man in the state—naturally, when this does not go beyond the bounds of decency. But one of the areas of criticism is your unpredictability as a political leader. I would rank this as a very important quality—political intuition. I know many instances—I won't go into detail—when your advisers or your entourage have worked out certain guidelines or a certain series of decisions for you, and you have unexpectedly made completely different decisions. And as far as I recall they were correct, fortunately. To what extent is political intuition an essential part of your character? What role does it play? If this is an awkward question, please forgive me.

[Yeltsin] First, on the subject of unpredictability, I have already explained on numerous occasions why it seems to me pointless to talk about unpredictability yet again. The second part of your question is of a more serious nature, that is, the subject of intuition. First, every politician needs to have intuition—especially the president of such a powerful state as Russia. Yes, there are times, while relying on diverse analyses and information, that you intuitively sense the people's mood and realize what they can or cannot withstand. And there are occasions when a decision is made on the basis of this kind of intuitive inner sense. I cannot say that this forms the basis of every second or third decision—it does not lend itself to computation in percentages. But it is true that such instances have occurred and continue to do so. I do not regard this as the worst of character traits.

[Golembiovskiy] On the contrary, I think that it is very important.

[Poptsov] One more question, Boris Nikolayevich, perhaps not the most straightforward one. Is the army with you?

[Yeltsin] I have just this morning been at a meeting with the military, at 0900—some 700 people, or maybe more. They were chiefs of all the categories of troops, all the territories, and military districts, and Defense Ministry employees. The Joint Command was there, too—only the leadership, that is, only the Russian section.

I addressed them. Then I answered some questions connected with the army for the press after my speech. Incidentally, I have signed a decree on another 80 percent increase in pay for all servicemen.

[Golembiovskiy] That is already the second one, one was signed on 9 May.

[Yeltsin] Yes, yes, as from 1 June. Moreover, there will be new additional payments for ranks. Whereas a lieutenant used to receive 50 rubles [R] for his rank, he will now receive R500 and so on, colonels, generals and marshals, admirals and so on. Of course, this is not the thing. There are two viewpoints on a more fundamental question: The first is that we are behind with creating the Russian Army, and the second is that we have been in somewhat too much of a hurry.

I believe the time is right. We held out as far as possible for there to be a single unified army. This was our concept. It was impossible to cut the army up into pieces. It is the sort of organism that really needs to be unified. Generally speaking, the whole sphere and this organism's support system alone are so complex that everything would at once fall apart at the very first cut. Therefore, we have waited and waited.

But when the states began announcing the creation of their own national armies, when the Ukraine just recently announced its national currency, we realized that we must defend Russia should there suddenly be any collisions. The resolution was therefore adopted and it was well-received.

We do not require officers to take the oath a second time. An officer of the Russian Army has always sworn once. Even after 1917, in 1918, when the army was being created, officers did not swear a second oath. True, they did sign a piece of paper. But I have told them today that I do not demand a signature, because you have already sworn an oath to the people of Russia. The people remain, and the oath is to the people. This is chief thing. Therefore, officers will not swear a second oath, even though they are in the Russian Army. Then they broke into applause. There was far less applause in connection with pay than in connection with the oath. I would like to say that. The army now is closer to us than ever.

Therefore, when people speak of a possible putsch and so on they are simply frightening the people, and the army leadership today cannot imagine their president finding himself in a position like the one which existed on 19-20 August last year. No, no. Our army must be trusted completely.

[Poptsov] Boris Nikolayevich, June 12 is a holiday.

[Yeltsin] No it is not. It is just a nonworking day.

[Poptsov] Well, a nonworking day, and a day that to an extent is historic. To round off the interview, could you say a few words about this day to our viewers, and of course to IZVESTIYA's readers and to all readers?

[Yeltsin] I wish to say this to Russian television viewers and to all the readers of IZVESTIYA, which is a very popular newspaper with the people and which, incidentally, does not allow the president to be insulted. Although it does criticize him quite a lot. I too agree that the independence of the press is one of our major achievements. When I met with chief editors, I said that

we would support the press and such an attitude towards it in society. I too am amazed when inadmissible criticisms are made of the press and television, alleging that they have been unharnessed. Must they really be harnessed? Those times are over.

I would like to say something to the viewers in Russia, since I believe that the establishment of Russian television is also a landmark. Yes, of course, this is our festival of freedom. To mark the day when for the first time a president was popularly elected in Russia. It is not a working day. I know that there will be fewer smiles than there were on 12 June last year. I also know that, by implementing reforms, we will bring the people suffering, albeit temporary suffering, and that it will be necessary to swallow a bitter pill in order to cure the disease. We have swallowed it. Of course, there are a lot of unpleasant things. But faith remains. On meeting with people I see that the majority still have faith. This is the chief thing. Because the last straw, the thing that could lead to a collapse, is if faith vanishes or dwindles to a minimum.

Therefore, I appeal both to the readers of IZVESTIYA, which is famous worldwide, and to Russia's television viewers: Believe in reform, believe in the president! Believe that all the reforms are intended only for the people, so that they live a better life. Not so that things get better for the military-industrial complex, so that we accumulate more and more weapons, so that there is confrontation. On the contrary. So that the economic situation improves in the future and so that peace, and peace of mind, can be maintained.

It is difficult for everyone. There are 130 nations and nationalities in Russia, and we have managed to see out the year in peace in a Russia experiencing the hardest of times as reform is implemented. Look at other countries and compare. We have not permitted and will not permit the Yugoslav variant. All this is based on faith. While there is faith, the president too will have confidence in his own strength and his own line. And I will not back down. I beg you, however hard it may be, to remember 12 June last year and to smile. Also remember 19-20 August last year, when we managed under seemingly totally improbable conditions to uphold peace and democracy and to prevent the coming of forces which would have turned the state into a country of slaves. There would have been an immediate arms race worldwide and the slide backwards would have begun, which must not be allowed.

The fact that we succeeded in outwitting those who are sitting today in the Matrosskaya Tishina jail and that we succeeded in defending the White House, thanks to the people of Moscow and the support of all Russians, remains a guarantee that our people are purposeful—it is in this that their true patriotism lies, and not in the street rallies organized here and there.

Thank you, esteemed compatriots, citizens of the Russian Federation.

Thank you, Russia!

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[Interview with Russian President Boris Yeltsin by Oleg Poptsov, chairman of the All-Russian State Television and Radio Broadcasting Company, and Igor Golembiovskiy, chief editor of IZVESTIYA, with Vyacheslav Kostikov, the president's press secretary, in the Kremlin 10 June: "Faith, Hope, and Patience Will Save Free Russia: Boris Yeltsin Interviewed by IZVESTIYA and Russian Television"]

[Text] On 10 June Russian Federation President Boris Yeltsin received Oleg Poptsov, chairman of the All-Russian State Television and Radio Broadcasting Company, and Igor Golembiovskiy, chief editor of IZVESTIYA, in the Kremlin. Vyacheslav Kostikov, the president's press secretary, took part in the meeting. The stenographic record of the interview is published below.

[Poptsov] Boris Nikolayevich, first I would like to thank you for finding the time for this interview. My question is about the president's year. This topic is on everyone's lips. I would like to put it like this: If you had been elected a few days ago and were just beginning that presidential year, what would you regard as necessary and what would you discard?

[Yeltsin] Thank you for the congratulations. We have decided to declare 12 June—Free Russia Day—a nonworking day. This is no time to celebrate, but nonetheless it is a nonworking day. Of course, if you had asked me a year ago: What will things be like on 12 June 1992, I could have been very wrong. This is mainly due to the fact that the Union is no more. Events from 12 June to 19 August were following a course whereby the most important thing was the Union treaty. We were expecting the Union to continue to exist. We were only fighting for greater autonomy for ourselves and trying to hand over fewer functions to the Union leadership—that was our main task.

The putsch of 19-20 August turned everything upside down. It destroyed the Union. And after that there was the breakup into separate states, which had to be united in some form or other, if only for the sake of economic ties. Because rupture was intolerable and would have led to collapse. But at the same time another opportunity opened up—that of becoming an independent Russian state with an independent domestic and foreign policy. An opportunity opened up which we had been unable to exploit for seven years—the opportunity to begin economic and political reforms, to begin the transition to a democratic, rule-of-law society, to a market economy. And this we did on 2 January this year. Therefore, if you look at it from that point of view, they foresaw today's situation. The fact that it would be difficult was spoken of three months before the start of the reform. It was also said that this year would be the most difficult. But we have crossed one of the toughest hurdles—the months of April and May—and it can now be said that the reform

will survive. I believe that. I do not take back my predictions: The end of the year will see the start of economic stabilization; the start of the fall in prices; the start of the improvement in people's lives. I still believe that today.

[Poptsov] What would you discard, taking the view that it should not have been done?

[Yeltsin] When I am accused of being to blame for the breakup of the Union, I cannot agree or take that blame. This must be laid at the door of the putschists. And, no doubt, of the leadership of the former Union. What would I discard? I would not discard the strategy of reform. As for adjusting it to some extent, we examined this question after the Sixth Congress and made some tactical changes. This applies to prices of energy sources; we took preemptive protective measures to make it slightly easier for enterprises and individuals to withstand the blows.

Price increases in the period of the transition to the market have been experienced by every state that has abandoned the planned system. This is inevitable in economics. There was no going back for us. When I meet people I say: What should we do, abandon the reform, turn back? They reply: No, we've been there; we don't want to go back. It is hard, but we will endure it.

[Golembiovskiy] Quite right; the main thing is the reform: economic and political. But society's attention is currently focused on the economy. And you have already explained the situation. But may I ask a question: Everyone understands the need for reform, but at the same time we know—and you know very well—that it does not enjoy popularity. Those in opposition to you persistently summon us to a bright past. And meanwhile the reforms are at a standstill, in my view, because key questions are not being tackled: land, ownership, guarantees for Western investments. I would like to hear the president's explanation, and to ask: What is the solution? To conclude my question, allow me to say this: Russia looked to you with hope and, however tough things are, looks to you with hope even now. We in the news business know that.

[Yeltsin] Yes, I can explain. Why did we fail to embark on economic reforms for seven years? Because it means an inevitable decline in the popularity rating of the leaders, those who implement the reform. It takes personal courage to do that.

...That is why, when people say things are tough for everyone, it is tough for the president too. Let's try and find an analogy. Ronald Reagan was president of the United States for eight years. You remember his Reaganomics. It was an entirely new approach, although it was a market approach, it was a new policy in the economy. And he remains in the memory as one of the country's strongest presidents. But his popularity fell at precisely the moment when he started to implement reform—it fell to 18 percent. That is why, when I stated that I will not run for another term as president, once again I am sweeping aside another hurdle, so that I don't have to keep one eye on my popularity rating. That is not why the reform should be pursued, it should be pursued for the sake of reform, and if we only work for popularity, we'll be working so hard today that we'll never get out of the hole we've fallen into. True, unpopular measures were inherent in the reform from the outset, and they will continue. If you and all Russia's television viewers ask me: Where are prices going next?—I will say to you: Prices will go on going up. I call April the decisive month in this respect. Why? If we had done in April what the IMF was proposing—that is, release prices completely, introduce free prices for fuel—we would all have witnessed a total collapse. We therefore made a decision: not to take that step during the winter and the sowing period, but to postpone it to a later date, to move by stages, regulating fuel prices; although this is contrary to the IMF's wishes. Today this is delaying the opening of the "second front," so to speak, of Western support for Russia's reforms. But why are the IMF's $24 billion important to us? Because this credit opens doors, it will be followed by private capital which will not give Russia credits, but make direct investments. And here it will not be a question of 24 billion, but of hundreds of billions. I hope you heard President Nixon's statement, the figures he mentioned. But here it must be recalled that unfortunately the Supreme Soviet has not yet adopted the 1992 budget—another delay. Today I was invited to the G-7 session on 6 July. I think my official visit to the United States and participation in the G-7 session will finally untie this knot. But we, in our turn, must adopt a series of measures which, to put it crudely, will allow the West no opportunity to harp on at us about details. Everyone must realize that if the reform collapses here in Russia, it will affect the whole world. Yes, the whole world, and the United States in particular.

At the Security Council today we discussed the question of a global reduction of strategic nuclear weapons and we are mentally prepared to carry out a reduction together with the United States. I believe Mr. Bush and I will succeed in signing the basic framework agreements on this question. It is a reduction amounting to billions in expenditure, which is being made just to increase and maintain nuclear forces.

We have a clear idea of the future stages of reform and I do not believe one can say that Gaydar's team is being destroyed and the tempo of the reforms is slowing. Indeed it is not. As a result of the criticism at the Sixth Congress of People's Deputies we brought experienced industrialists into the government. That is not destroying Gaydar's team. It will continue to operate as a reformist team, as a young, decisive, strong, and intelligent team. And it will face no obstacles. All the talk about my alleged deviation from the reforms, about my becoming more conservative than I was a month or two ago, is untrue.

[Golembiovskiy] That is very important.

[Yeltsin] Again and again I say in no circumstances will I allow any deviation from the reforms. Just as I will not let myself be ousted from the post of Russian president. Some people naively believe that you can impeach a president if you collect a few signatures. There are only three possible options under the Constitutuion. I resign. But I am not going to do that. I commit a crime. I am so sick that I am in no fit state to govern the state.

[Poptsov] You won't do that either, hopefully.

[Yeltsin] My last medical examination showed that I am healthy. So you need have no doubts on that score.

[Poptsov] Boris Nikolayevich, you have brought the conversation round to a very serious topic. In the end, the fate of the reforms depends on the ability to withstand a social explosion. In this connection I want to ask the following question: What is your view of the opposition, and who are they, those who oppose you? Second, does the president have a concept of relations with the opposition, and to what extent does the president think he can give in to the opposition. Because compromise is a realistic possibility, but there are situations where a president must say no.

[Yeltsin] In the first place, the total monopoly on power is over and done with here. I am referring to the CPSU. We now have more than 20 different parties. But there is no single major party that can aspire to a new nomenklatura and privileges. When they say to me: Create a presidential party, again and again I answer: no. Because if you give them benefits, create a gravy train, give them money, and create a nomenklatura, they will gradually organize a second CPSU and will take over the state again. There is no need to create a presidential party. Let there be 20-30 parties; there are around 1,400 in Czechoslovakia. Let them develop, and I, as president, must have contacts with them, have definite relations with them, otherwise, of course, we will have recriminations and destabilization in society. If the president is abused, I would regard that as petty, so I simply would not want to have dealings with such a party. If the president is criticized and his work is thoroughly analyzed, I will listen, because I consider this essential on the part of the oppopsition on condition that the criticism is constructive and practical. But sometimes you get unfounded criticism, and that, of course, is not nice, and I, like anyone else, am sensitive about that. But information is so freely provided here that you can represent the president in whatever way you like. It hurts, sometimes it makes for sleepless nights.

You have to work with the opposition. There is a limit. That limit calls for the overthrow of constitutional organs of power. If such a call is made those making it have to be dealt with by the prosecutor's office. Strictly in accordance with the law, with the Constitution. That is the relationship with the opposition. We must all get together now and elaborate measures that will be realistic amd will contribute to the reform and, at the same time, insofar as our potential allows, will protect the poor strata of the population above all.

[Poptsov] Boris Nikolayevich, you were partly behind the idea of a referendum. It has given rise to controversy, and it appears to me you too are changing your mind about it somewhat. How do you view the idea now?

[Yeltsin] Yes, I did make that statement. But I would say it was not an official statement. Now, for instance, we are having a pretty official conversation. But when I was in the midst of tens of thousands of people in Altay Kray and Buryatia, it should be viewed in terms of improvization. But the idea was there and it remains one idea. But we do not have to follow that path. There is the Supreme Soviet, which could resolve the referendum problem. You talk about land; the Congress did not resolve that problem. And that put a stop to land reform straight away. But that is one reason why foreign investors are not coming to Russia. I believe it was a serious mistake by the Congress and the Russian Supreme Soviet. If they were to follow a constructive path, it would be possible to do without a referendum.

[Golembiovskiy] Boris Nikolayevich, can I return to Oleg Mikhaylovich's question? You are the president and you do not have a political party, that is, an organized political force, behind you. But you must have a social power base, am I right? So I would ask: What is this power base, in your opinion; who do you rely on?

[Yeltsin] It is a unique case—150 million people participating in a direct presidential election—unique in the world, not just here. That is it, the president's main social base. Incidentally, there is more support from young people, which is interesting. Why? They understand the reforms better.

[Golembiovskiy] They are free from dogma.

[Yeltsin] Yes, they are free from dogma; they do not have fixed ideas; they can see that they are being given great freedom of choice, activity, and business, the chance to earn more, and what is more, there are no restrictions. When I meet with tens of thousands of people during my trips, I see more young people than members of other strata of society. I get less support now from the intelligentsia; evidently it has lost some faith.

[Golembiovskiy] I do not think so.

[Yeltsin] You do not think so? I am very concerned for culture.

[Golembiovskiy] I do not think the intelligentsia's faith has declined.

[Yeltsin] You are making me feel more optimistic, then. I know that our culture is in a dire state. People in the cultural sphere have grounds for dissatisfaction with the president. Science is in a bad way, but I repeat, this is the most difficult year, the most difficult one. If we get to the end of the year without any disasters we will get out of the crisis, and I am sure we will.

[Poptsov] Boris Nikolayevich, your trips around the country allow you to get a feel for the social base of support for the reforms. You have been to Altay, Buryatia, and recently the Urals. You have talked with tens of thousands of people. They are telling you: Move forward.

[Yeltsin] The interesting point is this. I was in Nizhniy Tagil, at the Urals freight car plant and the metallurgical combine last Sunday. They are two enterprises in the same city, but people's mood is different. Why? The metallurgical combine has sharply expanded production and the range of consumer goods, and it has begun to sell goods for cash. In addition, it has removed the pay problem. The Urals freight car plant has not done this, so the mood is different. In the Security Council today we touched on the question of cash and decided to refer it especially to a session of the Council, not the government but the Council, because this too is a question of the security of the Russian state. I think we will find a solution. Measures are being taken right now to gradually remove this problem beginning in the month of July.

[Poptsov] Boris Nikolayevich, what if I ask you quite a tough question: As president, do you think you are in control [vladet] of the situation in Russia? Obviously, the stock in which power is held begins to rise when an offensive by the criminal world is under way. In this connection, do you see yourself as a president who can put a stop once and for all to the expansion of crime and who will go down in history as a president who did this by democratic means?

[Yeltsin] First, I am in control [vladet] of the situation in Russia. Today I have seven independent sources of information. They are different, but are sources that tell me extremely unpleasant things, I would go further, that select this information for me.

[Poptsov] Is it worse than the information in the press?

[Yeltsin] It is worse than the information in the press and on television. Although black tones are rather predominant in the press and on television—and in my view this does not have a very good effect on people's frame of mind because they are having a hard time already, and then there is this constant bombardment: Everything is terrible, there is no way out, and so on, and so forth—in my view this is not altogether correct. But what can we do? We do not control the press; there is no censorship, so look to this yourselves...So to speak, this is on the conscience of every newspaper and every television channel, although Russian television is more malicious in its comments on the president's actions and the situation in Russia than Channel One. Sometimes I cannot understand this, Oleg Maksimovich. You must like the president a little bit...

[Poptsov] We respect him, we value him.

[Yeltsin] I will return to your question. In my trips around Russia I do not choose exemplary showcase regions, so to speak, as used to happen. In our country there are both more prosperous and less prosperous regions. Wherever the leadership of the oblast, kray, or republic is vigorously working for reform and finding its own road, the situation is less tense. In some regions, however, the situation is very grave. As I have said already, I have visited four regions in just a month, and Omsk and Orenburg Oblasts and Kalmykia are coming up in July. I not only have official meetings at aktiv sessions with selected participants, but also have meetings in the streets, in stores, at plants, in all kinds of situations, and this too is a channel of information for me and gives me an idea of how the overwhelming majority of people are getting by. At work things are slightly easier for people, since the leader decides on pay and does the best he can. It is only the cash problem that is putting many people in a difficult position. If we remove the question of cash, the situation will change for the better.

Now for the budget-financed sphere. We are defending it more vigorously now than before. It was in the power of the bureaucracy. We adopted a decision to increase pensions, and people received the increase only two or three months later. We decided to increase pensions and the minimum wage preemptively from 1 December last year, a month before the start of the reform. Pensioners received the increase in March. The entire social sphere, social security organs, is so difficult. It is incredibly hard to fight your way through it and reach people. We even have taken the path of one-shot payments in addition to pensions and the minimum wage.

About crime: When people curse the militia, I think that this is not objective. Of course, the militia and the Security Ministry must take appropriate measures and protect people from criminal elements, but you cannot fail to make the connection between the present state of the economy—the crisis—and the disastrous situation in which people find themselves and the increase in crime. Moreover, in any country the transition from a planned to a market economy is associated with a temporary lowering of living standards and an increase in crime. That is no excuse, of course, but a number of decisions have been adopted. For instance, the decree on combating corruption: Both ministries—internal affairs and security—have swung into action and the places where the money is ending up now have been identified. Money is being accumulated in huge quantities. First a loan is taken out, then this loan is turned into cash, and then huge sums are stored. They have found apartments, even big rooms full of money.

I do not think the decree on combating corruption is ideal, more than that, I regard it as insufficiently comprehensive, but it is a first step, and it must be followed by a whole package of measures. Point two. We in the government have discussed the question of strengthening internal affairs organs, both in terms of numerical strength and especially in terms of the level of technical equipment, which in our country is among the worst in the world, I think.

[Golembiovskiy] Boris Nikolayevich, could we change the subject? You are about to visit the United States. This is a very important visit for Russia and a very important visit for the United States, judging by the information we are receiving from there. In a few days you are meeting with foreign correspondents, and society will receive more extensive information about the aims of the visit. I would like to ask you about something else. I have encountered the opinion that it used to be representatives of a huge power that frightened the whole world who traveled abroad, but now the president of Russia represents a country in a rather shrunken, more modest form. In my view, our values are completely different today. You are perhaps the first president in our history who can travel abroad with head held high, honestly and proudly, because any country has much higher merits than tanks and missiles. There are freedom, independence, and the desire to organize people's life in a civilized fashion. In my view, this outweighs all the rest. I would like to ask about your feeling: How do you feel when you represent our country abroad?

[Yeltsin] Formerly, say, the United States and the former Soviet Union were regarded as superpowers. Their opposition, confrontation, or departure from cold war determined the climate throughout the world, but in essence this superpower status was determined by the quantity of nuclear weapons. We knew no other criteria. Even living standards were not taken into account; this was secondary. We want to change the situation in such a way that people's lives are the primary consideration. This is more important than everything we all, and primarily the president, are working for. At the moment we should not compare ourselves with the Americans in this respect. It is necessary to make deep cuts in nuclear weapons, not unilaterally, but on a basis of parity. We cannot allow people to live in poverty because of nuclear weapons.

So the first thing is the destruction of tactical nuclear weapons. Tactical nuclear weapons have been completely withdrawn from the territory of all three states—Ukraine, Kazakhstan, and Byelarus—and now are being destroyed. About strategic weapons: In Lisbon these states signed a protocol, saying that they will be nuclear-free states and are signing the Nonproliferation Treaty, that is, Russia will remain a nuclear state. Naturally, this gives greater certainty from the viewpoint of control [upravleniye], safety in operation, accidental launches, and so forth. Therefore Russia remains a great power in terms of many components. And if you look at history, whose is richer? The United States, which is a little over 200 years old? Or Russia, with its 1,000-year history; with its culture, traditions, art, scientific and creative potential, and the skill, professionalism, and endurance of its people, with their character and patriotism; not ultrachauvinistic patriotism, but genuine, full, real patriotism?

Why is the whole world watching Russia today, watching with sympathy, suffering for it? The world is worried about how our reform will go, and people are sincerely concerned. If they offer support for our reforms, we should not regard that as a mere sop. I am not going to the United States holding my hand out. No, I want to extend my hand to the U.S. President, in my speech at the joint session of the chambers of Congress I want to extend my hand to the whole American people: Let us cooperate, let us be partners, let us end the era of confrontation. Let us not regard each other as potential enemies, but as allies. Let us set up a universal missile early warning system, so as to take the whole world under our protection. I put that idea to President Bush at our last meeting. They listened to it then. Now, having analyzed it, the Americans have come around to the view that this is a rational idea, to set up a joint system of surveillance over the whole world. It is considerably cheaper than ABM, although we will not abandon that just yet. It is even cheaper compared with SDI, but if we compete—if the Americans embark on creating SDI and we start creating something similar—then we will become complete paupers because this is not going to require hundreds of billions; trillions will have to be invested.

[Poptsov] Boris Nikolayevich, I would like to bring you back to our fatherland again. It is natural that various structures attempt to exert pressure on the president. For example, we have witnessed a galvanization of military-industrial complex representatives' activity. Do you yield to pressure at all?

[Yeltsin] First, it is useless to pressure me. For your information, I do not yield to pressure. Cooperation or negotiation with me is possible, maybe, by anyone you like, but I cannot be pressured! We are currently in a so-called transition period. We have jettisoned the administrative edict system but have not created a new administrative system, and therefore we have enterprises that have rapidly gone in for floatation and privatization, while there also are enterprises committed to conservative methods of leadership. And there are considerable numbers of them, particularly in the military-industrial complex, but the government team that has been put together is going boldly for reform. However, when these sectors started to suffer we felt that during the transition period there have to be some figures who, while believing in and supporting reform, nevertheless would be able to work with those enterprises that as yet are still loyal to administrative edict methods. There was therefore—and I said this at the Congress—a need for people in the government with definite production experience, but not the kind of people who would lead us away from the strategic course of reform. The Gaydar team is and remains in place. On Friday [5 June] I got together with all the deputy prime ministers, plus Burbulis. We agreed to talk, not about global problems, but about how we are going to work. We all came to the conclusion that, first, we all are devoted to reform; second, a unified team remains in place; third, Gaydar's authority must be enhanced; fourth, I will hold on to the post of chairman of the government a bit longer, maybe a few months, but when I see that the team has become strong enough that a new premier can be nominated I

will agree to that immediately because it is hard for me in purely physical terms, not to mention other factors of a political nature. I am asked: On what principle do you choose people? The first thing, of course, is professionalism. Second, he must be no older than I am; I have already spoken about this to some extent. Third, support for reforms. Fourth, to a certain extent, of course, support for the president because I do not want to end up in the role of Gorbachev when he was betrayed by his own entourage. And if you recall the putsch, none of my comrades in arms defected.

[Golembiovskiy] Boris Nikolayevich, all the people in your team are so different...

[Yeltsin] But I would not want everyone to wear the same uniform, as is the case in some countries, to be buttoned up to the last button, marching in a straight line, in close formation. Yes, they have to be different people, and let them think in different ways so thereby they can enrich the strategy and tactics of reform with different approaches while they are fighting for the main strategic direction, for the implementation of this reform. I am sure of this. I am sure they will not betray me. I am sure of their decency, which I value very highly.

[Poptsov] I wish to ask a personal question. During a fleeting conversation when you were looking through your diary you said: I cannot do that day; I have to attend a church service. When I asked you a question, you said that once a month without fail you attend a church service. What is this? A requirement, a gesture of respect to the church, or some kind of inner matter?

[Yeltsin] This is also a difficult question. First: I was born into a peasant family, and my great-grandparents, grandparents, and parents were believers. Some things are programmed in the genes—love for the land, faith. When I was a Communist, of course, I was a sincere atheist...But a new outlook on things is emerging—undoubtedly linked with both my state of mind and the situation in society. But you're right, it still means support for religion. And an equally respectful attitude to different faiths. Sunday is Holy Trinity, and I will go to church. I regard this as normal and don't consider it necessary to make a great fuss about it. In church I am cleansed in some way, it's the only place where you don't have to think: What's going on in such-and-such a place. It's difficult to explain this state, but for me it has become not only personally and spiritually essential but also politically essential. To support believers we are helping religion, we have a program for modernizing and building churches, mosques, Buddhist temples, synagogues, and so forth.

[Golembiovskiy] May I ask another question? You have talked about the criticism showered on the president by the mass media. After what you said I wanted to say: Thank God we live in the kind of society where we have the opportunity to be critical of the top man in the state—naturally, when this does not go beyond the bounds of decency. But one of the areas of criticism is your unpredictability as a political leader. I would rank this as a very important quality—political intuition. I know many instances—I won't go into detail—when your entourage has worked out certain guidelines or a certain series of decisions for you, and you have unexpectedly made completely different decisions. And as far as I recall they were correct, fortunately. To what extent is political intuition an essential part of your character? What role does it play?

[Yeltsin] First, on the subject of unpredictability, I have already explained on numerous occasions why it seems to me pointless to talk about unpredictability yet again. The second part of your question is of a more serious nature. Every politician needs to have intuition. Especially the president of Russia. Yes there are times, while relying on diverse analyses and information, that you intuitively sense the people's mood and realize what they can or can't withstand. There are occasions when a decision is made on the basis of this kind of intuitive inner sense. I can't say that this forms the basis of every second or third decision—it doesn't lend itself to computation in percentages. But it is true that such instances have occurred and continue to do so. I don't regard this as the worst of character traits.

[Poptsov] Tell me, Boris Nikolayevich, is the army with you?

[Yeltsin] I have just this morning been at a meeting with the military—some 700 people, or maybe more. They were chiefs of all the categories of troops, all the territories, and military districts, and Defense Ministry employees. The Joint Command was there too.

I addressed them. Then I answered some questions connected with the army for the press. Incidentally, I have signed a decree on another increase in pay for all servicemen, as well as new additional payments for ranks. Whereas a lieutenant used to receive 50 rubles [R] for his rank, he will now receive R500. Of course, this is not the thing. There are two viewpoints on a more fundamental question: The first is that we are behind with creating the Russian Army, and the second is that we have been in somewhat too much of a hurry. I believe the time is right. We held out as far as possible for there to be a single unified army. This was our concept. It was impossible to cut the army up into pieces. The whole sphere and this organism's support system alone are so complex that everything would at once fall apart at the very first cut. But when the states began announcing the creation of their own national armies, we realized that we must defend Russia's interests independently. We do not require officers to take the oath a second time. An officer of the Russian Army has always sworn once. Even in 1918, when the army was being created, officers did not swear a second oath. True, they did sign a piece of paper. But I have told them today that I do not demand a signature, because you have already sworn an oath to the people of Russia, and this is chief thing. Then they broke into applause. There was far less applause in connection with pay. The army now is closer to us than

ever. Therefore, when people speak of a possible putsch, they are simply intimidating the army leadership and us. What happened 19-20 August last year cannot be repeated. Our army must be trusted completely.

[Poptsov] June 12 is a festival. A historic day. Could you say a few words about this day to IZVESTIYA's readers and to all who are listening to you?

[Yeltsin] I wish to speak to Russian television viewers and to all the readers of IZVESTIYA, which is a very popular newspaper with the people and which, incidentally, does not allow the president to be insulted. Although it does criticize him quite a lot. I too agree that the independence of the press is one of our major achievements. When I met with chief editors, I said that we would support the press. I too am amazed when inadmissible criticisms are made of the press and television, alleging that it has been unharnessed. Must it really be harnessed? Those times are over.

Yes, of course, this is our festival of freedom. But I know that there will be fewer smiles than there were 12 June last year. I also know that, by implementing reforms, we will bring the people suffering, albeit temporary suffering, and that it will be necessary to swallow a bitter pill in order to cure the disease. We have swallowed it. Of course, there are a lot of unpleasant things. But faith remains. On meeting with people I see that the majority still have faith. This is the chief thing. Because the last straw, the thing that could lead to a collapse, is if faith vanishes. Therefore I appeal both to readers and to Russia's television viewers: Believe in reform, believe in the president! Hard though it may have been, we have managed to live through this year in our Russia in peace. Look at other countries and compare. We have not permitted and will not permit the Yugoslav variant. All this is based on faith. While there is faith, the president too will have confidence in his own strength and his own line. I will not back down. I beg you, however hard it may be, to remember 12 June last year and to smile. Also remember 19-20 August last year, when we managed under seemingly totally improbable conditions to uphold peace and democracy and to prevent the coming of forces which would have turned the state into a country of slaves. The fact that we succeeded in outwitting those who are sitting today in the "Matrosskaya Tishina" Jail and that we succeeded in defending the White House thanks to the people of Moscow and the support of all Russians remains a guarantee that our people are purposeful—it is in this that their true patriotism lies.

Thank you, esteemed compatriots, citizens of the Russian Federation.

Thank you, Russia!

Further on Yeltsin Speech to Army, Navy Chiefs

PM1106223592 Moscow ROSSIYSKAYA GAZETA in Russian 12 Jun 92 First Edition p 3

[Unattributed report: "Speech by Boris Yeltsin to Conference of Senior Command Personnel of the Army and Navy "]

[Text] "Difficult, but not hopeless" was how Russian President Boris Yeltsin described the situation in the republic. He was speaking yesterday at his first meeting with the senior command personnel of the Russian Army and Navy.

"I am convinced," Boris Nikolayevich observed, "that we must keep going now. Any stopping will simply spell ruin for Russia."

The creation of national armies should not turn into the dismemberment of the unified military organism, Boris Yeltsin stressed. He advocated the development of military cooperation among the republics of the former Union. The legal basis for such cooperation is now being built, meaning principally thereby the treaty on collective security, which is open in nature.

The president stressed that "Russia does not question the necessity of Joint Armed Forces subordinate to the Council of Heads of Commonwealth States and is implementing the agreements which have been signed in this regard by the heads of state." At the same time he did express regret that CIS members have not yet reached consensus on the question of the specific composition and function of these forces.

Dwelling on the position of the 14th Army in Moldova, the president said: "We cannot allow the Yugoslav scenario to be repeated in the region, particularly with the involvement of Russian troops. At the same time we do not forget that tens of thousands of our compatriots who live in the Dniester region. I am certain that the Moldovan problem cannot be resolved without consideration of their interests."

The problem of the Black Sea Fleet is also acute. The talks with Ukraine "are tough going," in Boris Yeltsin's estimation. "But the main thing, on which we have agreed," he said, "is to reject unilateral action until a compromise form of solution of the contentious issues has been worked out."

"We are working toward ratifying the Treaty on Strategic Offensive Arms [START] at the Federation Supreme Soviet, said Boris Yeltsin, touching on problems of arms reduction. At the same time the possibility of more flexible reduction and destruction of strategic nuclear weapons is being examined in Russia and the United States. Here, he noted, we have not yet reached a total figure, since Russia is pursuing the idea of strategic parity, while the American side is following a somewhat different route. It proposes the destruction of all our ground-launched MIRVed strategic nuclear missiles while simultaneously reducing to a lesser extent the

numbers of naval strategic nuclear forces. If such a decision were accepted, the United States would be in a more advantageous position. All these questions, Yeltsin observed, will have to be tackled by negotiation during the official visit to Washington. We would want strategic offensive arms to be reduced to 2,200-2,500 units per side by, at least, the year 2000.

The creation of a basis for the social protection of servicemen, people discharged from military service, and the members of their families is a very important task in the period of forming the Russian Armed Forces, the president remarked. To solve this problem completely more than 20 normative acts have to be passed, and that will take time.

Regarding the timetable for the withdrawal of Russian troops from the Baltic countries, Boris Yeltsin noted that "these problems can be solved only on the basis of realism. And the appeal by certain of these countries to the CSCE and the United Nations over these issues is particularly perplexing."

Shakhray Warns of Attempt To Oust Yeltsin

LD1106194192 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1700 GMT 11 Jun 92

[From the "Novosti" program]

[Text] Sergey Shakhray has stated in London that the conservative forces in Russia may undertake an attempt to remove Boris Yeltsin before the end of this year. Shakhray links the possibility of such a removal with the promotion into the government of conservative business executives.

In making prophecies of this kind it is important to be first. If the prophecy comes true, the author always can say that he was the first to issue the warning.

Burbulis Stresses Commitment to Yeltsin

PM1106132192 Moscow KOMSOMOLSKAYA PRAVDA in Russian 6 Jun 92 p 3

[Interview with State Secretary Gennadiy Burbulis by D. Muratov and Yu. Sorokin; place, date not given: "Tell Us, Are You Afraid of a Revolt? State Secretary Gennadiy Burbulis Answers KOMSOMOLSKAYA PRAVDA's Questions"]

[Text] [KOMSOMOLSKAYA PRAVDA] Have you taught scientific communism in the past?

[Burbulis] Never in my life.

[KOMSOMOLSKAYA PRAVDA] Gennadiy Eduardovich, your post is a new one and the people do not entirely understand it. In any case, who and what are you in charge of? Why was State Secretary written with initial capitals at first, but was lower-cased later by order of the president?

[Burbulis] I find it very difficult to answer this question, inasmuch as I get the impression that one of you knows full well but is not letting on. I was at first, if you recall, Boris Nikolayevich's plenipotentiary when he was Supreme Soviet chairman. Then I was Russian Federation state secretary and secretary of the State Council. After the new government was formed and it emerged that the State Council's functions had been exhausted, I became first deputy chairman of the government. When it became clear that there was a need to concentrate in large measure on the political aspects of reforms, I was relieved of the duties of first deputy chairman of the government. There was also the Sixth Congress at which many actions were undertaken both against the post of state secretary, and me personally. Boris Nikolayevich reacted, in my view, perfectly fairly by bringing my post's title into line with its content. The extent of my powers is to implement direct instructions from the president. This involves representing the president in the executive, representative, and judicial organs of power, as well as cadres strategy and political, scientific, and professional backup for the presidential program in its entirety.

[KOMSOMOLSKAYA PRAVDA] It is often said: Burbulis thinks up, Shakhray formulates, and Yeltsin decides. People call you the eminence grise. How do you react to this? How near is this to the truth?

[Burbulis] I consider that this is untrue both in reality and in essence. The tasks which Boris Nikolayevich is resolving today, need everybody to think about them. He has thought up many, the president has thought up the vast majority of them on his own; Shakhray has thought up many, and we have thought up several things together.

The attempts to identify the personal contributions of each of us in the president's team are, to put it mildly, out of order.

I can give an exhaustive reply to all of this. I know well my own value. It is not only work which binds me to Boris Nikolayevich, but also a common cause—a deep conviction in the final aims of Russia's reform program. I think that from many standpoints my actual role has been exaggerated, and unfortunately, this sometimes probably happens to a certain degree by design. It seems to me that recently this has borne the hallmark of deliberate organization. The individuality of my style of speaking and behavior annoys some people but, on the other hand, it attracts others. Maybe my career's accelerated progress annoys some people—coming from nowhere, then suddenly being in the limelight, and with such opportunities. Every person today is what he deserves to be according to his abilities and his skill to be useful to the cause.

[KOMSOMOLSKAYA PRAVDA] Are you not hindered by the president's closeness and by the necessity to act, so to speak, behind his back all the time?

[Burbulis] What does hinder or not hinder mean? It seems to me that I know well what my role is.

I consider myself to be a professional politician whose activities are primarily based on devotion to an idea, to an ideal if you like, on complete agreement with Boris Nikolayevich's strategic aims, on subordinating myself and my activities to these aims.

[KOMSOMOLSKAYA PRAVDA] Does it not seem to you that using the president as an excuse is somewhat of a thankless task? One might recall Yeltsin's statement in Ulyanovsk, from the steps of the airplane: "The Black Sea Fleet was and will remain Russian." One might recall the Germans being "moved" to the nuclear test site.... How should one, in general, react to these spontaneous statements by Yeltsin before the crowd, which subsequently set the country and all the world's news agencies rumbling?

[Burbulis] I will answer in a rather pompous manner, but this is something you can call my creed. We have one president. It is the rarest of opportunites, when Russia's historic cause has received such an original personal embodiment, with all the unique abilities that Boris Nikolayevich possesses. This is a thousand times more precious than making public statements on some one-shot contradictory phrases suited to the occasion.

[KOMSOMOLSKAYA PRAVDA] The government rose and left at the wave of your hand at the Sixth Congress—in response to an insult by the speaker. I dare say that some of the government team would still have been in their places today. I have in mind the new appointments to the government which the president has made. People from a completely different "camp" have become heads of the most important sectors: Khizha, the former Union Minister Chernomyrdin, and the new Vice Premier Shumeyko, who is one of your main opponents. It is said that Yeltsin has already "traded in" Gaydar's team; is that true?

[Burbulis] No one knows better than Boris Nikolayevich what combination of people—according to their life experience, and from a professional and psychological point of view—can ensure the reformist course in today's unsafe situation in Russia.

Boris Nikolayevich's talent, his flair, in my view, lies in the fact that he combines these two abilities—to maintain a course, supply the necessary political will and human decisiveness, and at the same time, attract professionals of all types. We in the government really did lack people who know their way around the economy we have inherited, those whom the majority of today's economic leaders understand sufficiently. When it was important to lay the foundations for a cabinet of like-minded people for pushing through a strategic program, it was not possible to allow hesitation and differences of opinion. We consider that this government composition was justified at that stage. No matter how we perceive the new government's members from a personal point of view, today's combination as a whole is, I consider, justified. If it turns out that the reformist potential of the government's new members is insufficient, the president will effect personnel changes with the same determination.

[KOMSOMOLSKAYA PRAVDA] Yet the government's new members have not concealed their convictions, and they, in many ways, contradict those which Gaydar's team proclaimed.

[Burbulis] Neither Georgiy Stepanovich Khizha nor Viktor Stepanovich Chernomyrdin have expressed any particular convictions in connection with this.

[KOMSOMOLSKAYA PRAVDA] I have Vice Premier Shumeyko in mind.

[Burbulis] Shumeyko was actually one of the few people in the Supreme Soviet who lent his support to us on more than one occasion. Here there should not be any bias in particular. Here we have the same reason for your sometimes rebuking me—for lacking my own frank and personal standpoint. Here we had a person who worked within a certain system of coordinates and had to reckon with it and its laws.

[KOMSOMOLSKAYA PRAVDA] And so you think that the press has no grounds for stating that a counter-reform has begun....

[Burbulis] Theoretically, there are grounds for such a judgment. It is actually based on revolutionary romanticism and the urge to keep the ranks pure. However, the ranks' purity does not lie, if you like, in someone's past history, nor in the clothes which are familiar to one person but not to another. Here it is necessary to rely on Boris Nikolayevich's experience, as he is able to keep his finger on the pulse of what is really happening and to forestall some of its dangerous manifestations.

[KOMSOMOLSKAYA PRAVDA] Are you afraid of a revolt?

[Burbulis] No. It seems to me that the overwhelming majority of Russians are united by the unwillingness to return to the old ways. Unfortunately, we have not succeeded today in finally comprehending the difference between the present, specific, day-to-day difficulties and our overall victory over the previous, demeaning, communist existence. Few people today are in a hurry to shout about this at rallies; there are fewer and fewer of them, thank God. Internally, inasmuch as I can count on my feelings, people are, irrespective of their age, offered for the first time in many decades the opportunity to regain their human dignity. All of us together have been able to offer to the majority of the population the freedom from the rigid regimentation and prescription which the state repressively instilled in every one of us from the kindergarten.

It is stunning to see the ease with which the Russians got rid of communist ideology and "sovietness." There is everyday life, and there is the area of the meaning of life, and the latter is more important. The recurring theme at all the president's meetings with the population is: Boris Nikolayevich, just don't give in, just don't turn things

back. This is said even by workers at enterprises which have been unable to pay wages for several months running.

[KOMSOMOLSKAYA PRAVDA] What if parliament throws the government out and the weary people will no longer go out into the squares?

[Burbulis] We do have the opportunity to demand the renewal of representative organs of power by legal means, including a referendum. I am very keen on seeing the deputies doing this themselves through their own decisions. If this, for some reason, does not come off, this means that it will be necessary to turn to the people.

[KOMSOMOLSKAYA PRAVDA] I have the impression that the people will simply not go and vote.

[Burbulis] There is such a danger. If the referendum proves inevitable, then it will be necessary to put the vitally important question about private ownership of the land on the election ballot sheet.

[KOMSOMOLSKAYA PRAVDA] The president, having announced his plan to dissolve the Congress, virtually instituted a state of war with representative power. In order to be victorious in this war (and a definite deadline for its end has been named—the fall), the CPSU itself will be needed.... Who will canvass the people, and collect signatures?

[Burbulis] I do not agree with describing this situation in military terms. We should objectively enshrine today a limit to the Soviets' chances for introducing reforms. This conclusion does not apply to any specific deputy and is objective by nature. Subsequently, there will be two paths: Either a detailed and profound reasoning with and persuasion of the corps of deputies that the state's and the country's future depends, among other things, on their self-appraisal, or there will be a referendum.

[KOMSOMOLSKAYA PRAVDA] Who will actually collect the signatures?

[Burbulis] This work has already begun, "Democratic Russia" organizations are already engaged in this. Meetings have already taken place in several regions—within the framework of the law on referendums. What worries us more is the parallel work which has also started—concerning the referendum on confidence in the president. Though this is completely unconstitutional. No matter how sure we are of our own strength, we certainly cannot permit a lack of attention and neglect in relation to these endeavors.

It is for this very reason that I react with interest to a recent political event—the creation of the political structure "Renewal." The slogan which they have taken—pragmatism above all, and rejection of any kind of ideological schemas—is completely acceptable. The Russian authorities need opponents who aim for democratic values, so that, God forbid that it might happen, this sphere is not seized and frenziedly exploited by extremists of all hues.

Now we are forming several cores of power, though with difficulty. We already have numerous such structures, for example the Russian Constitutional Court. It is the body which was fortunately created at an opportune time and today acts as a strict arbiter between the power structures. For me the Russian president is definitely such a core of power.

[KOMSOMOLSKAYA PRAVDA] To what degree, do you think, has Yeltsin's popularity declined recently?

[Burbulis] It seems to me that the time has come to adopt new criteria for appraising the head of state. We are increasingly abandoning the superficial, cordial, and emotional reaction to Boris Nikolayevich in person, and will evidently take on more and more a new approach, which is balanced and rational. In other words, the choice between the best and the worst, between the permissible and the impermissible.

[KOMSOMOLSKAYA PRAVDA] Gennadiy Eduardovich, a generally held opinion has already formed that the new authorities are robbing people. There is a mass of well-known facts in this connection. Do you not fear that this acquisitiveness [shchipachestvo], this time-serving mentality will cancel everything out....

[Burbulis] This is a very specific question. Let us ponder together: What should happen? We need Russia to have a prestigious and fully-fledged state structure. It is inadmissible that a Russian functionary, on whom the drawing up of documents for this or that economic activity and, more importantly, for privatization depends, turned out at the same time to be the person who loses most in this process. To this day we have not had a definite answer to the question about what proportion of privatized property may legally be distributed among Russian state employees. We have, to this day, been concealing from one another the demeaning fact that a state employee's official salary is absolutely out of line with the salaries which, for various reasons, enterprise leaders receive today, not to mention those in the commercial structures which are springing up. One of the tasks which the president is setting today is to formulate a clear conception of the Russian state service, enjoying a legal base and financially protected. We have not yet seriously set about this. This a case where, in order to mount the initial attack, we had to use what was available.

[KOMSOMOLSKAYA PRAVDA] There are obvious and freely publicized cases of corruption; they are written about in the press, and talked about on each street corner. If we were, as in the fairy tale, to make a mark today with a cross or with wheat trailing from a sack with a hole in it on the Moscow buildings which have already been privatized—"on the black" to boot—Moscow would be covered in crosses....

[Burbulis] I cannot agree when people blame us because this scourge is thriving and we are doing nothing administratively. I want to ask: What do you propose? What? To say "halt" to oneself? You see, we are taking two

years, but are we not to advance until we clean up the entire apparatus and staff it with loyal and knowledgeable people? A property owning class has never been created anywhere in a pure and clinical form.

[KOMSOMOLSKAYA PRAVDA] Do you not have the feeling that Gorbachev is in many respects, right when he says today that the Belovezhskaya Forest meeting and the CIS's creation were a great mistake, and that no commonwealth is possible....

[Burbulis] I am going to repeat what I have already said. No one invented the Belovezhskaya Forest meeting and the CIS, they are objective historical facts. They simply needed to find people to make them happen.... We were the people who carried out something which grew out of the totalitarian Soviet system and was completely unavoidable. Our duty lay in finding the strength in ourselves to make this collapse happen in the least painful way possible. I cannot accept a single reproach of this type: Just look, they have not succeeded in anything. We have succeeded in doing that which was possible.

After all, Gorbachev has not, to this day, dared to finally admit what type of state the whole communist regime gave rise to. I am more and more convinced that the terrible consequences of this collapse—the armed conflicts, people dying—require a new and completely different logic to resolve them. We for the moment, have not yet found it.... However, the logic of strongarm pressure is inadmissible. No one has gotten to the bottom of the real law governing the communist empire's collapse, though I maintain that the Tashkent meeting gave a new momentum to relations in the CIS. In the space of this month alone, Russia signed a treaty with Kazakhstan and Uzbekistan. Such work has almost been completed in Turkmenistan and Kyrgyzstan. Our relations with Armenia are on a sure enough footing, and are already on a bilateral basis. I hope very much that the elections in Azerbaijan on 7 June will get rid of a whole series of alarming questions relating to this people and this state. We perceive a significant improvement in the alarming topic of Russia and Ukraine.

[KOMSOMOLSKAYA PRAVDA] Have you a list of Russian territories which are not subordinate to its government?

[Burbulis] I think that you will again rebuke me for maneuvering. However, when you rather gloatingly ask us how many territories are not subordinate to us, I can turn it back on you in the following way: But to how many territories has the Russian government today granted freedoms on a scale whereby they have to not so much make demands on the government, as to adopt decisions on their own?

[KOMSOMOLSKAYA PRAVDA] Nevertheless, take for example the problem of Chechnya, there is an impression that this conflict has stabilized as something permanent. Is that so?

[Burbulis] There is no textbook answer here. General Dudayev is not all there is to Chechnya. There is also the population of the Chechen territory, about whose interests and aspirations you cannot make unequivocal judgments. We are looking for a way out, and we have already started the negotiation process with Chechnya. A new stage of the negotiation process with Tatarstan is in the offing.

[KOMSOMOLSKAYA PRAVDA] The president's press secretary put out a statement a few days ago on Gorbachev's statements in the press, which in essence, expresses a direct threat to Gorbachev personally, and forbids criticism of Yeltsin. How do you react to this?

[Burbulis] I would not like the press secretary's statement to be interpreted in this manner. It has a much deeper significance. I see its significance to be the following: It is not so much a threat, or not even a threat at all, as much as a routine expression of the alarm which we today, feel in connection with the disparity between Gorbachev's latest pronouncements and his own responsibility for the state of affairs we have come up against.

[KOMSOMOLSKAYA PRAVDA] Do you have the feeling that decent, educated, and talented people today are not very willing to join the power structures?

[Burbulis] For me this is perhaps the central question. I understand that a state must, at all times, have a section of society which is spiritually independent, and which sees itself from the outset as distanced from power. However, I am perturbed and see a great deficiency in the fact that we did not succeed in formulating our aims in such a way as to make them an honest and sincere appeal for the civic and intellectual mobilization of all of society's best forces to work together in a common cause. I am very sad and perturbed if, by some of our actions, we have alienated this part of Russian society from ourselves. At the same time I know that this may simply be a manifestation of personal caution.

[KOMSOMOLSKAYA PRAVDA] To be honest, Gennadiy Eduardovich, I would like at some time to read your memoirs if only to compare them with what you are saying today....

[Burbulis] My memoirs? Well I don't know...

Burbulis Addresses Reform, New Appointments

OW1106183292 Moscow INTERFAX in English 1545 GMT 11 Jun 92

[Report on "exclusive interview" with State Secretary Gennadiy Burbulis by Andrey Pershin; place and date not given; prepared by Pershin, Andrey Petrovskiy, and Vladimir Shishlin and edited by Boris Grishchenko; from "Presidential Bulletin"—transmitted via KYODO]

[Text] Fears lest the course of reforms might be changed are absolutely ungrounded, while the natural caution about new people in the government is quite natural, State Secretary Gennadiy Burbulis told IF [INTERFAX]

corespondent Andrey Pershin in an exclusive interview. Burbulis said that new appointments "corresponded to the level and scope of the tasks facing the government". Specific conditions in individual regions and branches are taken into account, he added. He also said that the reform has entered a new stage whereby "the strength of the team will depend on us".

He described the first stage as a strategic breakthrough and departure from the Soviet-style economy. At the second stage, one should concentrate on a deep analysis of the field which has opened to the view following the first stage of reforms.

Speaking about Western aid, he said: "We hope that all those who are sincerely interested in our reforms have realized that implementing them without taking Russian specific features into account would be to slow them down, not to promote them". He also said that he favoured equitable partnership, excluding situations whereby one side considers itself to be superior to the other.

The State Secretary believes that foreign countries extend their loans guided by their trust in President Yeltsin who is capable of building a strong team. Yegor Gaydar is an irreplaceable figure in this team, said Burbulis. However, reforms should not depend on individuals. They should rest on a strong basis and efficient executive authority.

Gaydar, Shokhin on Cash Crisis Measures

OW1106152992 Moscow INTERFAX in English 1409 GMT 11 Jun 92

[Transmitted via KYODO]

[Text] Russia's First Vice-Premier Yegor Gaydar and Vice-Premier Aleksandr Shokhin supported the programme for solving the cash crisis, proposed by manufacturers and trade unions. On June 9, this problem was discussed during a meeting which was also attended by Vice-President of the Union of Manufacturers and Entrepreneurs Aleksandr Vladislavlev and Chairman of the Federation of Independent Trade Unions Igor Klochkov, who proposed their own programme.

The problem is so acute, they said, that a social explosion may occur.

The proposed measures are as follows:

—tough bank control over daily encashment and the distribution of cash to state and commercial enterprises;

—the selling of goods at industrial enterprises for temporarily circulated payment cheques;

—people receiving pensions, benefits and grants should be attached to shops where special accounts will be opened for them;

—payments for communal services should be made by written order;

—in case of emergency, commercial enterprises will be subjected to forces encashment;

On Thursday [11 June], at 14:00, this document is expected to be signed and sent to the heads of administration, leaders of enterprises and regional branches of trade unions.

The document is expected to be signed by 6 people: two representatives of the government (Gaydar and Shokhin), by representatives of the employers, among them Volskiy, and of the trade unions, including Klochkov.

Uniform Ruble Rate To Attract Investors

PM1006101892 Moscow IZVESTIYA in Russian 10 Jun 92 Morning Edition p 1

[Mikhail Berger commentary under the general heading: "80 'Wooden' Rubles a Dollar: Is Comrade Ruble Going at the Right Rate?"]

[Text] The question of Russia's attractiveness to foreign capital is at the moment more academic than practical: No one is yet planning to invest big money in the Russian economy. Furthermore, a new phenomenon has recently emerged in this sphere—the disinvestment of capital and closure of enterprises.

According to the Russian Federation Ministry of Finance's Foreign Investments Committee, in the first five months of this year more than 20 joint enterprises announced their closure.

Thus one can talk about the greater or lesser attractiveness of terms for foreign investors and the removal or creation of obstacles for them. And the multiplicity of exchange rates is one of the most substantial barriers. Any investor, irrespective of how quick-witted he is personally, will realize immediately that if there are several exchange rates, the worst one is intended for him, the foreign buyer.

The so-called investment rate which it was formerly intended to introduce here (10 or, say, 20 rubles a dollar) is an administrative raising of the dollar rate against hard currencies which makes purchase targets considerably more costly for foreign buyers. Abandoning it will put Russian and Western investors on an equal footing, which is bound to be seen as an improvement in the investment climate.

Conversely, the comparative cheapness of our property for holders of hard currency, when an object costing, say, 80 million rubles can be bought for a million dollars, could entail the introduction of other methods of regulation apart from the exchange rate, so as to ensure that an average-size plant cannot be exchanged for a hundred or so computers.

Despite the rapid increase in the general level of prices, manpower also remains comparatively cheap, and this has always been considered a great attraction. It is hard to

imagine that in the foreseeable future a Russian oilman or construction worker is going to earn as much as his American or German counterpart, at least. And that means that the comparative prime cost of output produced in Russia, other things being equal, will remain at a lower level than in the majority of developed countries.

Chubays Discloses Potential Voucher System

LD1106143192 Moscow ITAR-TASS in English 1009 GMT 11 Jun 92

[By ITAR-TASS correspondent Ivan Ivanov]

[Text] Moscow June 11 TASS—Each Russian citizen might receive not later than December 1, an inscribed privatisation voucher to buy property, according to a governmental decision adopted on Thursday [11 June]. Although the exact amount of money has not been specified yet, it may total 7-8 thousand roubles in case of favourable conditions, according to Anatoliy Chubays, the Russian deputy prime minister responsible for privatisation.

The "favourable conditions" mean that the state privatisation programme is adopted by the Russian parliament without the amendements introduced by the opposition which envisage privileges to workforce in buying shares of their enterprises. If the amendments stay the amount of money on each voucher will not exceed 700 roubles, Chubays explained.

The privatisation vouchers might be used to buy shares of privatised state-owned enterprises or of investing funds, or be sold. The government will create "a mass of privatisation offers" in September-October by turning most state enterprises into joint-stock companies, which, according to Chubays will keep inflation down when the vouchers are issued.

Government Session Focuses on Privatization

LD1106164992 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1400 GMT 11 Jun 92

[From the "Novosti" program]

[Text] Today, there were several items on the agenda of the cabinet session, one of them being privatization. The government has decided to introduce inscribed privatization vouchers in the fourth quarter of this year; that is to say, no later than 1 December of this year, each Russian citizen will have the opportunity to purchase something as private property for a certain amount in vouchers. It is a system of measures of unique importance both from the political and economic points of view: This is the assessment by Vice Premier Anatoliy Chubays.

[Begin video recording of N. Chernysheva report] The third issue was state support for the mass media. The press was the first to enter the market and was the first to suffer from it. The list of monopoly enterprises on which our journalist colleagues depend takes up 13 pages and the price of a tonne of paper reaches up to 170,000 [currency not specified]. Some publications are gasping for breath and some are simply dying: children's publications, youth publications, and encyclopedias. But, at some moment, the talk about the situation in the press took on an accusatory tone. I recall what Pushkin said: Oh, you disgusting looking-glass! and so on per the text. For instance, the health minister accused his brethren of the press and television of reporting on strikes and rallies that had simply not occurred; that the figures about the mortality rate are greatly exaggerated; and that, in general, statistically, everything is fine with medicine. And, nevertheless, the majority of the cabinet spoke in defense of the financial situation of the press and, therefore, for its freedom. It was decided to give support to the mass media, so that, for the time being, power is not being taken away from the fourth estate. [end recording]

We will tell you in greater detail about the government session, and in particular about what was decided specifically as far as privatization is concerned, in the following newscast. But, as regards the press, you understand that the press and the television need to be protected economically, especially now, in the conditions of the emergence of the market. But the mechanism of this protection nevertheless does not guarantee against the interference and pressure by those very structures that are prepared to pay for journalists' work. But to be fair, I will note that this problem is not only ours.

Gaydar Attends

LD1106160992 Moscow ITAR-TASS in English 1052 GMT 11 Jun 92

[By ITAR-TASS correspondent Ivan Novikov]

[Text] Moscow June 11 TASS—The Russian Government plans to introduce tough terms of financial cooperation to those former Soviet republics which will choose to remain in the rouble zone.

In present-day conditions Russia is interested in the introduction of national currencies in other republics, however "very tough terms will be introduced for those who wish to remain in the rouble zone, in particular, Russian control over their central banks", First Deputy Prime Minister Yegor Gaydar said at a governmental meeting on Thursday [11 June].

He authorised the ministers to be ready to stop payments of republics which will not decide on the national currency by September-October.

The government discussed credit and monetary relations between the republics as "financial stabilisation in Russia and granting of foreign economic aid directly depends on them, according to Gaydar.

And the relations have aggravated of late, said Vladimir Mashchits, chairman of the Russian State Committee on Economic Cooperation with the Commonwealth States.

The rouble convertibility greatly depends on "the shape of the rouble zone" and financial transactions inside it, he added.

There are 15 independent central banks in the former Soviet Union which are practically unlimited in money emission. Since the Central Bank of Russia conducts a moderate credit emmission, the credits granted by banks from other republics "flow (to Russia) in exchange for concrete resources", he explained.

Only Estonia and Ukraine are undertaking real steps to introduce a national currency, while other republics are yet undecisive and do not actively support the prospects of rouble convertibility, he added.

The central banks of other republics do not provide information on money emission, according to Deputy Chairman of the Central Bank of Russia Sergey Ignatyev. "We do not know exactly how much cashless roubles they "print", he said, adding uncontrolled emission destabilises the rouble and triggers inflation.

Maschits added agreements on "the rules of the game in the rouble zone" are necessary. Special agreements should be signed with republics which intend to introduce national currencies in the near future. Russia should resort to tough measures towards those who refuse to sign neither of the agreements, including hard currency payments for natural resources, denying cash money supplies etc, he said.

Payment Measures Viewed

OW1106152792 Moscow INTERFAX in English 1409 GMT 11 Jun 92

[Transmitted via KYODO]

[Text] On Thursday [11 June], the Russian government resolved to draft a package of measures which will put the inter-republican payments on a strictly legal footing. According to IF [INTERFAX] sources, the problem of non-cash rouble transfer from the CIS republics to Russia is particularly acute. In view of this, special emphasis was laid on the need to conclude bilateral agreements between Russia and each of the republics in order to make them observe the rules of the rouble zone. If such agreements are not concluded, measures encouraging the republics to introduce their own currencies should be taken. The CIS talks in Minsk on June 26 are expected to deal with these particular matters and to determine the schedule and terms of receiving or terminating payments.

The government approved the basic provisions of the system of privatization cheques and of the procedure of introducing them in Russia. According to these documents, the issuing of the cheques should be controlled by the federal authorities.

The first lot of cheques will be issued in the 4th quarter of the year and will cost some 1.5 billion roubles. The entire operation will cost 4.5 billion roubles. The cheques will be valid for 12 months. Every industrial enterprise to be privatized, whether of regional or federal affiliation, will sell 35 per cent of its shares for privatization cheques. One question still remains open: Should the cheques be sold or distributed for free? Vice-Chairman of the government Valeriy Maharadze proposed charging 50 roubles for the cheques.

The government also discussed draft resolutions envisaging financial support for the Ministry of the Press and Information which will be channelled to the publications for children, youth and disabled people and to other socially important media. Some of the draft resolutions were of an anti-market nature and actually restored the system of state orders for the pulp-and-paper industry. The government resolved that the draft resolution be finalized and combined into one document.

Further on 4 Jun Government Session on Land

PM1106141192 Moscow ROSSIYSKAYA GAZETA in Russian 6 Jun 92 First Edition p 2

[ITAR-TASS report: "Government Decides To Set Up a Land Reform Center"]

[Text] At a routine session yesterday chaired by Boris Yeltsin, the Russian Federation Government decided to set up a Land and Agroindustrial Reform Center.

It was decided to give Vice President Aleksandr Rutskoy the job of coordinating the center's work. The plan is that the new organ will back enterprise in agriculture and related sectors of industry, promote the accelerated formation of market structures in the agrarian sector and trade and services sphere, and perform a number of other functions.

During the discussion of the matter Aleksandr Rutskoy stressed that "with each passing day tension in society is growing as a result of the shortage of foodstuffs at affordable prices." So there is a need to accelerate reforms in agriculture with the aid of the single coordinating organ that is being set up for Russia. During the debate government members by and large, however, did not support the vice president's proposal that a number of government ministries should be subordinate to the center and that he himself, as Economics Minister Andrey Nechayev put it, should be "superminister and echo of the former State Agro-Industrial Committee."

Speaking on the question of the establishment of the center, President Boris Yeltsin declared that "forcible decollectivization in agriculture" is out of the question and said that the Land and Agro-Industrial Reform Center will be a kind of bridge between the former system of rigid centralization in the sector and free farming. Boris Yeltsin said that he will sign his decree on the establishment of the center on 15 June, whereafter all the documents will be brought to completion. The president also spoke of the advisability of establishing yet

another post of government deputy chairman—for agricultural affairs. He gave instructions for proposals to be prepared on candidates for the job.

Boris Yeltsin also urged the cabinet members to make every effort to organize preparations for the harvest campaign. In particular, he proposed a study of the question of possible compensation from the budget for the agro-industrial complex for costs associated with higher energy prices and the adoption of other measures, up to, as he put it, "and including enlisting foreign assistance for the harvest, from, for example, Mongolia and the East European countries."

In 1991 the number of crimes in Russia topped 2 million for the first time and increased by 18.1 percent compared with 1990, Internal Affairs Minister Viktor Yerin announced at the session. This year crime has increased again by 35 percent. The situation is made significantly worse, he said, speaking on the question of strengthening internal affairs organs, by the illegal traffic in arms and the numerous instances of their being used for criminal purposes. Over 7,000 firearms are currently on the wanted list. Last year alone 750 militia officers were killed or wounded by criminals.

Organized crime is on the increase. Reliable data suggest that more than 3,000 organized crime groups are operating on the republic's territory, half of them with interregional links, and one in 10 carrying out criminal operations in contiguous and other foreign states.

Drug addiction is having a marked impact on the crime situation. Criminal business activities are on the increase. Last year more than 140,000 crimes were detected in the economic sphere; this year the figure is 151,000. Crime in the economy creates a breeding ground for corruption and graft in official circles.

But, Viktor Yerin said, the Internal Affairs Ministry no longer has the manpower and resources to manipulate in order to concentrate on the priority areas of the fight against crimne.

Summing up the discussion, Russian President Boris Yeltsin pointed out the need to support the internal affairs organs and give them help, in particular in terms of equipment, which is currently of a primitive standard.

Government members also approved by and large the basic principles of the reorganization of the procedure for acquiring goods for state needs and of the creation of a system of legal norms and economic arrangements for state purchases—a federal contract system.

Parliament Debate Over Privatization Viewed

PM1106143792 Moscow IZVESTIYA in Russian 11 Jun 92 Morning Edition p 2

[Article by Mikhail Berger: "Privatization Program Could Wreck... Privatization"]

[Text] The Russian parliament has adopted amendments to the privatization law. Next comes the State Privatization Program.

But the committee leaders and their supporters in parliament are not inclined to celebrate victory—they are looking with great alarm to 11 June, when it is planned to discuss the privatization program for 1992. The government is scared that a counteroffensive by "Russian Unity" and people close to this faction will occur at this stage. More than 100 amendments have been made to the program over the past few weeks, allowing it to implement in practice the concept of the government's opponents, which was not reflected in the law. The level of concern is shown by the fact that, for the past few days, top officials from the State Committee for the Management of State Property have twice invited journalists to a news conference on the subject.

The essence of the disagreements—which have been repeatedly reported already—is as follows. The government's opponents are virtually depriving people who do not work at enterprises of any access to those enterprises' shares. This approach reduces approximately 10-fold the share of national wealth for the one-half of society not employed in the sphere of material production. Moreover, the distribution of capital will by no means be equal even within closed joint-stock companies. The authors of the amendments to the program are proposing the free transfer of shares from person to person (without involving outside buyers) by mutual agreement and at any price.

The participation of one of the new vice premiers in the news conference expanded the theme of the discussion somewhat. Answering questions about his new colleagues in the government's top leadership, Anatoliy Chubays called for people not to be judged on the basis of their career records, and described as superficial the arguments that the appearance of practical workers in the government marks a change of course.

It should be noted that, in a number of his public statements, Chubays has quite vigorously justified the president's latest appointments, and with good reason. He worked with one of the new vice premiers—Georgiy Khizha—in St. Petersburg and, as they say, speaks fairly highly of his business qualities and position. Most probably he recommended to Gaydar a person with whom he could work, and it was Gaydar—well-informed people claim—who himself proposed Khizha to the president. As for Vladimir Shumeyko, he was mentioned by Gaydar as a possible partner back in April.

At any rate, such a major "strengthening" of the government with directors cannot fail to produce a corresponding reaction among those who are planning to back the reformers. The IMF or the World Bank are hardly likely to risk even the billions they have already promised until they are sure that Gaydar and his people in the government will maintain "control." If Boris Yeltsin wants a specific result from his Munich meeting, he will

probably take some specific steps to clearly indicate the particular role of one of the first vice premiers. Indeed, he has already hinted at this by signing an official ordinance appointing Yegor Gaydar as his official representative during parliament's examination of the law on the government. But this is quite insufficient to convince anybody of anything.

Aven on Further Policy of Foreign Trade

LD1106100792 Moscow ITAR-TASS World Service in Russian 1135 GMT 10 Jun 92

[By BIZNES-TASS correspondent]

[Text] Moscow, 10 Jun—The Ministry of Foreign Economic Relations (MFER) is planning to adopt a set of measures in the near future which will make it possible to overcome the growing imbalance of foreign trade and to strengthen control over the export of resources. This was stated by MFER Minister Petr Aven while speaking at a conference on the applicability of the Japanese model of development to Russia.

After the establishment of a single rate of exchange for the dollar, it is planned to introduce a procedure for the compulsory sale by enterprises of hard currency profit at the market rate of exchange, having abolished the existing system of handing over hard currency at the special rate of exchange of Russia's Central Bank. The ministry intends to strengthen control over trade in resources, having determined a narrow circle of exporters—state and private trading houses, specializing in this sphere. It is intended to leave only energy carriers on the list of goods for whose export receiving an export quota is required.

The rate of the import tariff, on whose introduction the MFER insists, must be some 15 percent. Instead of the "pure hard currency trade" being practiced now by Russia's trade enterprises, enterprises will be obliged to organize alternative trade—"for hard currency and rubles."

Kagalovskiy Says No IMF Aid Without Reform

MK1206080092 Moscow NEZAVISIMAYA GAZETA in Russian 11 Jun 92 p 1

[Interview with Konstantin Kagalovskiy, Russian Government plenipotentiary for work with international financial organizations, by Mikhail Leontyev under the "Reforms" rubric; place and date not given: "'The World Will Be Extremely Surprised If Gaydar Does Not Become Premier. This Will Be Interpreted as a Repudiation of the Reforms,' Konstantin Kagalovskiy States"]

[Text] [Leontyev] What is the reaction of the Western partners and international financial organizations to the changes taking place in the Russian Government?

[Kagalovskiy] The world is closely following the development of events. Concern and doubt are being expressed increasingly vigorously now: All the Western newspapers are writing about the end of the reforms in Russia.

[Leontyev] How far is this connected with personnel changes?

[Kagalovskiy] In my view, the fact that a healthy section of the political representatives of industry has now entered the government could strengthen its base. Throughout the world, however, the reforms are clearly linked with two names—Yeltsin and Gaydar.

Everyone knows that recently Gaydar has effectively carried out the duties of premier. Therefore the world will be extremely surprised if Gaydar does not become prime minister in the very near future. That would be unambiguously interpreted as a repudiation of the course of reforms.

This question is bound to crop up at the "G-7" meeting in Munich, in which President Yeltsin will take part. There must be no repetition in Munich of the sorry outcome of Gorbachev's participation in a similar meeting, when the leaders smiled at him but afterwards did nothing at all. The present meeting is very important because if it is successful it will mean that Russia will take its due place in the world and become the eighth member of the "G-7."

[Leontyev] What is the fate of the government program approved by the IMF? How far can its demands be met now?

[Kagalovskiy] I want to note straight away that there are no IMF demands. There is a Memorandum on the Economic Policy of the Russian Federation, which we have sent to the IMF and which is well known around the world. The IMF passed it on to the "G-7" leaders. Now they expect us to show a natural consistency in policy and in the implementation of the measures that we promised to carry out ourselves.

Let me remind you of what these measures entail: the introduction of a single exchange rate for the ruble and convertibility; the abolition of most quotas and licenses (apart from energy sources and those quotas necessary for the fulfillment of international agreements); the abolition of oil price ceilings; the introduction of an import tax; the reintroduction of value-added tax in full on all goods; the introduction of progressive taxation on the excessive growth of wages; and finally the pursuit of a firm monetary policy.

[Leontyev] The latter is impossible without resolving the question of credit and money supply control across the whole ruble zone. How could this be decided?

[Kagalovskiy] There can be only one solution here—the Central Bank of Russia must exercise full control over money circulation throughout the ruble zone. This question must be resolved without delay. There are two

fundamental approaches here: One toward those countries which have expressed a readiness to be full members of the ruble zone, the other toward those countries which intend to issue their own currency.

It is a simple principle: a single ruble zone means a single emission bank. The ruble zone itself is essentially the solution of the question of the forms and terms on which foreign states have access to the use of Russia's national currency.

We are not going to impose anything on anyone. This must be a free choice by sovereign and independent countries. But we do ask them to make a choice. All that we ask is that this choice be made. What we cannot tolerate any longer is this state of uncertainty.

[Leontyev] On the question of uncertainty, the memorandum gave a timetable for the freeing of energy prices. This is the main question in the transition to ruble convertibility. Can the memorandum be implemented and agreement reached with the IMF on a stabilization credit if the liberalization of prices for fuel is postponed until spring next year?

[Kagalovskiy] Indeed, in the memorandum we gave a definite timetable based on our calculations at that time. In practice the progress of the economic reform in the country was held up for six weeks because of the Congress of People's Deputies. Thus all the dates which we included in the memorandum must be adjusted by six weeks.

[Leontyev] Can there be an agreement with the IMF at all given the "adjustments" to the reforms that have been announced?

[Kagalovskiy] As I have already said, the reaction to what is going on here has been acutely negative. Nevertheless, so far no one has gone back on the package of financial help for the Russian reforms that was announced. Our people and their Western counterparts still have faith in the positive solution of the situation and the continuation of reforms.

[Leontyev] In some circles there is a popular idea that the West can "swallow" a very great deal and can accept what seems to be the continuation of the reform policy and go on with the aid program, at least with regard to restructuring the debt. As an example they cite the initial reaction by Bush and Mitterrand to the events in August....

[Kagalovskiy] Nevertheless, that is wrong. If there is a change of course the aid program will not be implemented.

The aid program begins with our agreement on reserve credit with the IMF. Unless our course matches what we told the IMF, that agreement will not be signed. There is no doubt there.

As for the debt, the official creditors, known as the "Paris Club," have a charter which states in black and white that the essential condition for allowing the rescheduling of the debt is agreement with the IMF on reserve credit. We have been granted temporary rescheduling because we were negotiating with the IMF in the expectation that we will conclude such an agreement.

[Leontyev] As far as I am aware, during the putsch you discussed with John Major the best ways to organize an economic blockade of the USSR at that time, did you not?

[Kagalovskiy] Well, there is no question of any blockade now. However, if the debt rescheduling is terminated the consequences will be virtually identical.

[Leontyev] Some believe that if real "practical" specialists came to power now as a result of an unexpectedly deep consensus on "adjustments" to the reform, they could turn their backs on the West completely and refuse to repay the debt.

[Kagalovskiy] If that decision were accompanied by a repudiation of the reforms, all existing credits would be switched off right then. As a result imports would cease. In other words, ships bringing grain would stay at sea because their cargo had not been paid for. Given our dependence on imports, food above all, that would be disaster. The communists always tried to create a closed economy independent of the outside world. The opposite result was achieved.

[Leontyev] In that event how feasible is it to freeze accounts and freeze Russian property?

[Kagalovskiy] They have experience of freezing property in a Latin American country when it refused to pay its debts for the fifth or seventh time. In view of the unusual nature of our situation I believe that this could happen to us the first time of asking.

Security Officials Meet With Political Leaders

OW1106192092 Moscow INTERFAX in English 1600 GMT 11 Jun 92

[Transmitted via KYODO]

[Text] The Deputy Minister of Russian Ministry of Security Andrey Bykov declared that he has no information on any plan for emergency situations in the country which allegedly foresees isolation of 200 prominent political leaders. "The Ministry of Security has not developed any such plan and there are no lists of individuals to be isolated", he stressed in response to a request from the people's deputy Gennadiy Sayenko, a member of the opposition faction "Communists of Russia". Sayenko made his request to the Ministry at a meeting of the Russian Ministry of Security's leadership and leaders of Russian political parties and social organizations. The meeting was initiated by representatives of the Ministry of Security.

The supposition about existence of such a plan and alleged lists was qualified as "complete delirium" by the head of the public relations center of the Ministry of Security Andrey Chernenko. He promised to officially respond to the deputy's request.

At the briefing the situation in the country was characterized as "extremely alarming" and may evolve into a conflict as social tension rises. The head of the Ministry of Security's analytical department Ksenofont Ippolitov believes that the danger of a conflict is increasing.

Special concern is caused by cases of theft of weapons. Chernenko presented figures on these cases: 27 T-72 tanks, more than 100 APCS, 1330 cars and armored vehicles, more than 3000 guns, 180 thousand mines, 1118 railway cars with ammunition (20 tons [as received] each), and 15 tons of foodstuffs were stolen in the first quarter of this year in one of the military districts (apparently In the Transcaucasian milltary district - "IF" [INTERFAX]).

Employee Reductions Cited

OW1106192392 Moscow INTERFAX in English 1600 GMT 11 Jun 92

[Transmitted via KYODO]

[Text] There are currently 135 thousand people employed by the Russian Security Ministry, officials said at a briefing by the Russian Security Ministry Thursday [11 June]. The elimination of a number of departments of the previous security system and staff reductions in subdivisions of the former KGB of the Soviet Union, the number of state security employees was reduced 3.5 times (there were previously 513 thousand employees), said the press release distributed at the briefing. Nearly 400 general positions were eliminated in the Security Ministry of the Russian Federation.

Abuses Investigation Continues

OW1106175392 Moscow INTERFAX in English 1411 GMT 11 Jun 92

[Transmitted via KYODO]

[Text] The head of the Ministry's PR [Public Relations] department Andrey Chernenko has told the press today, Thursday [11 June], that an internal commission continues investigating cases of grave abuse by the force's officers. The commission is led by the new Minister Viktor Barannikov.

The commission has already announced some sackings of high security officials including the head of Russia's counter-intelligence.

In an interview with IF [INTERFAX] Chernenko cautioned against giving political overtones to the commission's findings. He also rejected allegations of "vengeance" on the old KGB guard wreaked by Interior Ministry's officers appointed to the Security service after last August's putsch. He stressed that the commission was made up of KGB old hands.

Solzhenitsyn, Sakharov Files Destroyed by KGB

OW1106192292 Moscow INTERFAX in English 1600 GMT 11 Jun 92

[Transmitted via KYODO]

[Text] The KGB's operational case against writer Aleksandr Solzhenitsyn was destroyed in 1990, the director of the archival bureau of the Russian Security Ministry Anatoliy Krayushkin told journalists Thursday [11 June]. This was done on orders from the then 2nd head of the KGB of the Soviet Union as the case "was not of historical or operational significance".

Krayushkin said the materials on the case against Andrey Sakharov and his wife Yelena Bonner were also destroyed.

MVD Leaders Hold Meeting With Businessmen

PM1106135992 Moscow ROSSIYSKAYA GAZETA in Russian 9 Jun 92 First Edition p 3

[Aleksandr Rostovtsev report under "Economic Chronicle" rubric: "Traders and Militia Are for Business, But Honest Business"]

[Text] In the conditions of the building of a democratic state, all forms of property, including commercial structures, should be protected, Internal Affairs Minister Viktor Yerin stated at a meeting between representatives of the country's business circles and Russian MVD [Ministry of Internal Affairs] leaders. Such contacts will help us to solve one of the principal problems, he said—removing obstacles to implementing reforms. Including those which exist in the business sphere. This also concerns unlawful actions on the part of unscrupulous businessmen. That is to say, the MVD is in favor of business, but honest business, and will combat swindlers and those who inflict damage on national property.

The discussion at the meeting, attended by more than 50 leaders of major associations of entrepreneurs, commercial banks, joint-stock companies, firms, and companies, also included the theme of improving security activity, aiding families of deceased militia officials and veterans, and elaborating social aid programs for former convicts.

Entrepreneurs were also interested in production activity within the MVD system. By participating in the design and industrial assimilation of the latest models of protective devices for citizens, businessmen could not only ensure the security of Russian citizens, but also obtain sizable profits.

Unfortunately, the most important element in our collaboration has not yet been determined—the MVD's attitude to the protection of private property, A. Molchanov, chairman of the "Interbank" board, stated.

Businessmen are just as committed as the militia to the maintenance of law and order; after all, it is often their own lives which are at stake, I. Kivelidi, general director

of the "Interargo" association, said in his turn. I fully agree that security activity should not be organized in a disorderly fashion, but should be concentrated in the same hands. Otherwise groups of thugs could emerge, which would provoke a wave of criminal reprisals. The presence of weapons in the hands of such people is dangerous. Militiamen, whose inner discipline is far higher, can naturally be relied on. And why should we not be protected by the official structures? I think that the minister understands this problem very well.

This meeting will not be the last. It will be continued 9 June at an exhibition of samples of industrial output produced by enterprises and institutions of the MVD system.

Interior Officials Dismissed in 'Reorganization'

PM1106134692 Moscow ROSSIYSKAYA GAZETA in Russian 11 Jun 92 First Edition p 2

[Interview with Andrey Dunayev, Russian Federation first deputy minister of internal affairs, by Svetlana Shevchenko; place and date not given; under the general heading "Ministers Change Their 'Comrades'": "Cutting Back the Excess"]

[Text] Russian President Boris Yeltsin signed a directive relieving Vyacheslav Sergeyevich Komissarov, Russian Federation first deputy minister of internal affairs and chief of the criminal militia service, and Anatoliy Ivanovich Kostenko, Russian Federation deputy minister of internal affairs and chief of the financial, material, and technical supplies and capital construction service, of their duties. The formula is diplomatic: "in connection with the reorganization of the ministry." Lieutenant General Andrey Dunayev, first deputy minister of internal affairs, comments on this.

[Dunayev] As you know, last December three ministries merged to form one. There were three ministers, and correspondingly three times the number of deputy ministers. Naturally some people had to go. True, the process did drag on. Komissarov and Kostenko were not dismissed, they are now in the ministry's reserve, and I do not yet know what posts they will have. Obviously Boris Nikolayevich will decide that.

[Shevchenko] Is the cadre "reshuffle" associated with any criminal or financial matters?

[Dunayev] There have been no scandals which would have led to the dismissal of deputy ministers. Vladimir Petrovich Strashko was appointed instead of Kostenko, who stays on as chief consultant. I was appointed instead of Komissarov.

[Shevchenko] Does the president appoint deputy ministers on the basis of a submission by the minister?

[Dunayev] There has to be a submission, and of course the minister's opinion is taken into account. In the old days the deputy used to be called the minister's comrade, and you have to choose your comrades.

[Shevchenko] Was Komissarov involved, as people are saying, in investigating cases of corruption and bribery in the Moscow government?

[Dunayev] When Comrade Komissarov was my deputy I charged him with finally getting to the bottom of what is happening in our capital. And subsequently to concern himself solely with questions of corruption in Moscow's administrative organs. When the ministries merged, when I took my leave of Komissarov, I asked him to show me the materials so that I could report on them to the government. He said: "Yes, I have the materials, but I don't keep them here."

Interior Troops' Commander Discusses Tasks

LD1106164292 Moscow ITAR-TASS World Service in Russian 1255 GMT 10 Jun 92

[By ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow, 10 Jun (TASS)—To defend courageously and staunchly the security and peace of the Russian people is the main tradition which we will faithfully maintain. This was said today by Colonel General Vasiliy Savvin, commander of the Russian Interior Troops, in a conversation with an ITAR-TASS correspondent. He noted that it is important to employ everything that used to be intrinsic to the Russian officers: their loyalty and faithfulness to the homeland and the oath, a high understanding of honor and dignity, and of their destiny as the people in state service.

In reply to the question of how the commander sees the Russian Interior Troops, Col Gen Savvin said: "I see them as mobile, technically equipped, and professional. Only then they will be ready at any given moment to tackle, together with the interior bodies or independently, the tasks they face for combatting crime, and to act with precision and competence in conditions of an emergency, tragedy, or conflict.

Today the Russian interior troops are in the process of being set up, the commander continued. Active work to set up a judicial basis for them is in progress. The Russian Supreme Soviet Presidium and the relevant parliament committees and commissions have already considered a draft law on the interior troops. Lined up are other legislative acts, the adoption of which will allow the problems that have piled up to be resolved, in particular in relation to the social protection of personnel, recruitment of troops, and work load during the service. I see my main task to be the replacement of conscript soldiers with professionals as guards for corrective labor colonies. Yesterday's boys must not be engaged in such difficult service which can often be dangerous for life. We just have no right to allow young men to have contact with the world of murderers and

recidivists, and to cripple the hearts of young men, while making their parents suffer, Col Gen Vasiliy Savvin stressed in conclusion.

Winter Military Training Results Reviewed

PM1106085792 Moscow KRASNAYA ZVEZDA in Russian 9 Jun 92 p 1

[Report by Lieutenant Colonel A. Dokuchayev: "The Time of Uncertainty Is Passing. It Is Time for the Army to Become an Army—The Results of the Winter Training Period Will Be Reviewed in the Russian Defense Ministry Today"]

[Text] From KRASNAYA ZVEZDA's files:

As of today, in Russia's military districts there are 16 training grounds left, which makes up 37 percent of all those in the Joint Armed Forces. All training grounds are suitable for conducting regimental tactical training with live fire from tanks, BMP-2's and BMP-3's [infantry fighting vehicles], and artillery, and also for tactical missile launches and aerial bombing. However, opportunities for conducting divisional tactical training existed only at the Transbaykal Military District training ground. And measures are currently being taken by Buryatia's government to close it.

Due to political events in the country and efforts to involve the Army therein, we have somehow started to forget that the military's main task and duty in peacetime is to engage in combat training and to prepare themselves (and let's not shy away from lofty words) to defend the fatherland. So this is a way of reminding ourselves of this. In May the winter training period ended, and now the Army and Navy are collating the results of the combat training. Of course, the discussions are not centered only on the results, but also on how to render training for troops and naval forces more efficient.

Combat training directorates in the various branches of the Armed Forces note that on the whole the tasks for the winter training period were fulfilled. Thus, for the Ground Forces, specialists believe that training went well in units and combined units in the Western Group of Forces, and in the Moscow, Volga-Urals, and Transbaykal Military Districts. Nevertheless, compared with last year's winter period the number of divisions receiving good evaluations fell by 6 percent, the number of brigades by 10 percent, and the number of regiments by 0.4 percent.

And what else? Troops have fewer and fewer opportunities for rehearsing combat training tasks to a high standard. This applies primarily to large strategic formations stationed in regions with a complex internal political situation and in zones of interethnic conflicts. The majority of the combined units and units which were reviewed from the Trancaucasus and Turkestan Military Districts and the Northwestern Group of Forces were evaluated only as satisfactory. Many troop collectives were obliged to undertake other tasks—defending their camps from gangs or hooligan elements, or liberating their fellow servicemen who had been taken hostage, or conducting exhausting talks with local authorities and so on.

But surely, some readers will say, far from all Russian units were in such a situation. Undoubtedly. But all of them have a severe chronic ailment. What kind? As the Main Directorate for Military Training announced, training plans and programs were implemented in conditions of low personnel strength levels (45-55 percent). How can you carry out efficient training in these conditions? To low strength levels must be added disruptions in material and technical supplies to troops, especially fuel and lubricants, and the enforced diversion of military specialists to work which is not related to combat training activity. This was particularly typical for districts and units withdrawing from groups of forces. Then it has to be borne in mind that this year, in some regions, restrictions and prohibitions on relocating troops have been operating.

Of the exercises planned for the winter training period, the following were carried out: divisional tactical exercises—50 percent; regimental tactical exercises—93 percent; battalion tactical exercises—24 percent. Naturally, such a result is hardly likely to help improve the smooth running of subdivisions and units or the expertise of commanders.

Nevertheless, even in these most dreadful of conditions during the transition period, intensive military training was organized in dozens, hundreds of troop collectives. It is difficult to carry out an exercise or a tactical drill...But it is possible, you know, to focus efforts on training officers and staff or junior specialists, or on individual training for personnel. This is what happened in places where the commanders and staff approached their main job creatively. Plans for training organs of command and control were completely fulfilled in the Ground Forces—all divisional command-staff exercises were completed. There was an improvement in indicators for training junior specialists whose training was carried out in district training centers. Nor were competitions between officers in field, air, and naval proficiency [vyuchka] forgotten. Thus, competitions between commanders of artillery battalions in Ground Forces missile forces and artilleries have only just ended.

"There is no doubt that objective factors are having an effect on the troops' level of proficiency," Colonel General Eduard Vorobyev, Ground Forces deputy commander in chief for combat training, said in a conversation. "But, you know, a lot also depends on attitude. It is known that the training of junior specialists is directly linked with the methodological skills of platoon, company, and battalion commanders. But strict exactingness was often absent on our part, and organizational-methodological tasks and methodological training courses were carried out haphazardly in many units. In the summer training period we will have to think more carefully about better organization. The defense minister has already drawn attention to this. Army General

Grachev has demanded that all preparatory measures be conducted within specific deadlines and to the highest standard before the beginning of the summer period."

Incidentally, it will begin 1 July and end 28 November. In conversation, Colonel General Vorobyev said that the Main Directorate for Military Training has submitted good proposals. But will they be implemented? Can our budget afford it? There are oh so many difficulties here.

Nevertheless, people's attitudes toward combat training are changing. The shape of the Russian Army is becoming increasingly clear. But an army's strength, as we know, lies in its proficiency. Therefore, the time has come to think seriously about combat training and the combat readiness of units and subdivisions.

Legal Expert Justifies Communist Party Ban

PM1106104992 Moscow ROSSIYSKAYA GAZETA in Russian 9 Jun 92 First Edition p 2

[Report by Lyudmila Yermakova: "President's Decrees on the CPSU Based on Legislation on Social Organizations"]

[Text] It is well known that the examination by the Constitutional Court of the president's decrees disbanding the CPSU and the Russian Communist Party, as demanded by a number of deputies, has been postponed until 7 July. The sides are studying the materials and preparing new arguments—each, naturally, in favor of their own position. Dmitriy Shutko, leader of the Russian Academy of Sciences Institute of State and Law Public Organizations Problem Group, expressed to the ITAR-TASS correspondent the opinion of an academic specializing in the legal issues of public associations.

The Russian president's decrees are of a constitutional nature, since "they are based on the regulations on voluntary societies and unions established by the All-Russian Soviets of Peasants' and Workers' Deputies Executive Committee and the RSFSR Council of People's Commissars resolution dated 10 July 1932." This document was repealed by the Russian parliament only in December last year.

These regulations state that "in the event of an association violating RSFSR laws, the organ which oversees and monitors its activity has the right to take any measures, up to and including the abolition of the association."

Justifying the constitutionality of the decree on the CPSU's and the Russian Communist Party's property, the jurist referred to the article in the regulations which states that "in the event of the abolition of a public association, its property is transferred to state institutions and public organizations." This is in line with the articles of the Constitution which enshrine the norms for state federal property and its protection.

Explaining why the act in force last year was the old one and not the All-Union Law on Public Organizations, which was adopted in October 1990, the jurist said: "Because the Russian Federation Supreme Soviet defines the legal status of public organizations in the republic, and because of the RSFSR Law on the Operation of Acts Passed by USSR Organs on the RSFSR Territory, which stipulates that on issues of powers not transferred to the center, Union laws come into effect only after ratification by the Russian Supreme Soviet." The new law had not been ratified by that time (and this has still not happened, incidentally), and the president had the right to suspend the CPSU's activity by decree, rather than by appealing to the courts.

New Communists Protest Threat of 'Witch-Hunt'

PM1006094192 Moscow PRAVDA in Russian 9 Jun 92 p 1

[Statement by Russia's new political parties: "Hands Off Communists!"]

[Text] Russia's new political parties of a communist and socialist persuasion are alarmed about the attempt by ruling circles to turn the Russian Federation Constitutional Court into a tool for reprisals against the Communist Parties of the Soviet Union and the RSFSR, which have already been illegally banned by presidential decrees.

The parties assess O. Rumyantsev's petition for the CPSU and the RSFSR Communist Party to be declared unconstitutional as an attempt to deprive millions of Communists of the right to decide the fate of their party themselves and to rule them out of active political activity and subject CPSU members to a new moral terror. The fact that this petition has been put forward by a social democrat is a blot on all international social democracy.

We warn that a ruling that the CPSU and RSFSR Communist Party are unconstitutional will mark the start of a "witch-hunt" and a campaign against any dissidence and democracy, and will pave the way for an antipeople dictatorship. We call on all true Russian democrats to oppose the persecution of Communists.

We appeal to the international democratic public and to left-wing forces to raise their voices in defense of rights and freedoms, and in defense of democracy in Russia.

[Signed] G. Sklyar, Socialist Party of Working People; R. Kosolapov, Russian Communist Workers' Party; A. Kryuchkov, B. Slavin, Russian Party of Communists; I. Osadchiy, "In Defense of Communists' Rights" public association; T. Khabarova, Bolshevik Platform Within the CPSU; A. Prigarin, V. Kurashvili, League of Communists

Deputy Minister on Developing Health Care

OW1206082992 Moscow Central Television First Program and Orbita Networks in Russian 1845 GMT 9 Jun 92

[Interview with Vladimir Ivanovich Starodubov, deputy minister of health, by Petr Orlov and Irina Zaytseva in Moscow; from the "Utro" program—live]

[Text] [Orlov] Now our guest, Vladimir Ivanovich Starodubov, Russia's deputy health minister, who will comment on what you have just seen [referring to preceding video report on improved conditions at Moscow's maternity clinic No. 11] considers that what we have just shown you on a pay maternity clinic, while not a bad situation, is not typical and is probably not the first example of this on the road to medical insurance, which we will talk about in greater detail today.

So here is Vladimir Ivanovich Starodubov, Russian deputy health minister.

[Zaytseva] Do we need medical insurance today?

[Starodubov] Maybe I can put the question a bit differently. What kind of medical services do we need....

[Orlov, interrupting] Good, high quality, and—if we have to pay for it—cheap, widely accessible medical services. What other factors should I mention?

[Starodubov] You know we saw a feature on the United States, where insurance is generally voluntary and is based on individual means. It is called private insurance. We should clearly understand that under this insurance scheme Americans spend something on the order of 11 percent of their GNP on medical assistance programs. It is a very costly system.

Unfortunately, we do not have such opportunities. The state budget is not able to support medical services. That is why we are seeking ways that will permit us to provide medical services at least at the same levels previously available. We must find new sources of funding in order to do this. That is why we looked at various models, various existing systems in Western countries and in Europe that could suggest a way out of this situation.

So we must clearly differentiate between voluntary insurance along the lines of the U.S. system—and it is (?permitted) here—and compulsory medical insurance, a form of social protection. In today's particularly difficult economic situation, difficult for all of us, we cannot allow someone to be forced to pay for medical assistance from his own pocket.

Compulsory medical insurance is designed to insure workers by having enterprises pay into the system. Public solidarity with this system must be put to work. As to what you saw on the Moscow maternity home, the ministry's position is simply a bit different. We think that this kind of assistance must be guaranteed and paid for by the state. Our women and children, our citizens, should be insured by the state. The state must provide them with medical assistance to the extent guaranteed.

Now as far as additional contributions by enterprises are concerned, they should be used to insure workers in these enterprises and their medical assistance should be covered by these funds.

[Orlov] Vladimir Ivanovich, as we discovered when we tried to telephone your department, trade unions and everyone else in this sphere, all the heads of this system, have all flown off suddenly to Barnaul. They say that in Altay Kray....

[Zaytseva, interrupting] That everything is wonderful there.

[Orlov] Somehow they have succeeded with their medical insurance scheme, and everything is working. Is that true? Tell us what you saw there.

[Starodubov] Well, we simply had a working conference in Barnaul. Representatives from St. Petersburg, Kemerovo Oblast, and Moscow attended. It was mainly a working conference at which we determined future stages of our activities and solution for urgent problems. The fact of the matter is that the Supreme Soviet Presidium has permitted Altay Kray and Kemerovo Oblast to introduce medical insurance ahead of schedule.

But the issue has run into problems with the economic basis of medical insurance, that is, contributions. It seems that this problem has been solved in the following way: On 22 May the Russian Supreme Soviet adopted a resolution giving the organs of representative power the right to introduce the law on medical insurance in their territories ahead of schedule.

[Orlov] Is it working out?

[Starodubov] They are to introduce this on 1 July. In Kemerovo they (?began) on 1 January; they are closer than Altay Kray to this system. They will begin changing from 1 July. The question is one of having an infrastructure that could operate. Like a representative of one of the Moscow departments said, this is not a rapid, instantaneous process. There needs to be an infrastructure in place including insurance companies that will insure us in case of illness, medical institutions need to be prepared, there must be experts who will control our medical institutions, not only morally as in the past, but materially as well. This is a fairly tough system for medical workers. I do not want to say that we will have unemployment or that we will reduce the number of beds, but if the system is not financed economically it will atrophy.

Now in Altay Kray—or, rather, the medical institutions in Altay Kray have prepared for the change to medical insurance, although I would not say that they have done so completely. The question remains as to how to prepare the population as well, or to seeing that the industrialists and employers are ready to understand that good medical service is expensive. It is costly everywhere in

the world. This is a verity which in the socialist countries was probably understood only by Fidel Castro. [laughs]

[Orlov] He has organized it pretty well in his country.

[Starodubov] Yes, but he spends up to 12 percent of his national product.

[Zaytseva] And here, what kind of a sum are we talking about?

[Starodubov] What we are talking about—well, we have made estimates in various regions and have found that we should spend from about eight to 12 percent of the wages fund on compulsory medical insurance. As a matter of fact, parliamentary hearings were held today at which the question of where this money can be found was discussed. There were several prospects, and one of them that was considered was the possibility that funds could be drawn from the pension fund. Now this is something the lawmakers will decide, but by decreasing allocations into the pension fund, funds would be released for compulsory medical insurance. This way the impact on (?wages) could be avoided.

[Orlov] The old folks will be indignant when they hear this.

[Zaytseva] Will this not have an effect on pensioners?

[Starodubov] No. What we are talking about is that if we have money, if the money permits us to pay the (?pension) fund for our expenditures, and if there is some sort of niche, the compulsory medical insurance should go into it. That is what we are talking about. We do not intend to...

[Zaytseva, interrupting] Heaven forbid that cuts are again made in pensions.

[Starodubov] No, no. Every region can make calculations as to how much it needs in the pension fund, and, if there is a niche, then the compulsory medical insurance system should go in it. Now, as far as the contribution is concerned, it will depend on the primary cost of health. Why is the primary cost considered in labor protection or in depreciation of production capacities while it is not considered in the depreciation of people? We must clearly understand that under a change to market conditions, if we leave health services in their old structure, then we will have practically no chance to survive.

[Orlov] Neither will we. [laughs]

[Starodubov] Neither will you. So we must simply understand that medical services are a form of goods. They are specific but they are goods which have material, financial, and other peculiarities, just like your work.

[Orlov] Vladimir Ivanovich, tell us please, among your people, within your ranks, is there an unequivocal feeling that this is the path that will be followed by the country, by medical insurance, by enterprises...

[Zaytseva, interrupting] That this is essential.

[Orlov] ...or by private insurance, that this is what will happen and that this is the chosen path. Or do you have some doubts. Our viewers need to understand what they should prepare for morally.

[Starodubov] All I can say is that I, for one, am a convinced supporter of the idea that we have no other way. Generally, the hearings today have shown that in principle there are no differences in strategy. There are differences in tactics, but this is not the essence of the question. I consider that among the organizers of health services and among physicians, at least, this idea has already matured. Not everyone, but surely the overwhelming majority already agree with this because of what we seek. We are asking for an opportunity to earn this money.

As far as the population is concerned, during the transition period at least the citizens should not feel that this money is coming out of their pockets. For the time being this money will be received from the employer—not the way it is in the West where a person pays half, for instance, while the employer pays the other half. The financial position of our working people today is such that we cannot allow this. We consider that at the present stage this money should come from the employer. Later, as the economic situation improves and new levers emerge...

[Orlov, interrupting] Then gradually the onus will shift.

[Starodubov] Yes, through an evolutionary rather than a revolutionary process, and, of course, at the same time, we do not intend to introduce medical insurance into the (?entire) state system. Absolutely not. We will try to build a parallel system without destroying what already exists. We already know how that goes.

[Orlov] Our guest was Vladimir Ivanovich Starodubov, deputy minister of health of Russia, the man responsible for medical insurance policies in this ministry and who considers that this transition will be less drastic than many we have experienced in the past. Thank you for your commentary and for visiting our studio.

[Zaytseva] Thank you.

[Starodubov] Thank you very much.

Bessmertnykh on Diplomacy in Ethnic Conflicts

OW1106133892 Moscow INTERFAX in English 1230 GMT 11 Jun 92

[From the "Diplomatic Panorama" feature based on reports by "diplomatic correspondents Igor Porshnev et al"; transmitted via KYODO]

[Text] "It is necessary to change the existing approach to conflicts on the territory of the former USSR as an 'internal quarrel'. [quotation marks as received] This has been declared by the President of the International Foreign Policy Association Aleksandr Bessmertnykh, a noted diplomat, who served as Foreign Minister of the

former USSR for a period. Mr. Bessmertnykh spoke at the seminar entitled "The Art to Live in Peace: Principles and Methods of Settling Ethnic Conflicts", which ended in Moscow today, June 11th.

Mr. Bessmertnykh called for making ethnic conflicts a subject for "professional diplomacy". In his opinion, conflicts could be settled on the basis of international law standards.

The Association President believes it's reasonable to tap the potential of the already existing international organizations and mechanisms in settling ethnic conflicts. In his view, such bodies are able to act as go-betweens in and initiators of a negotiating process.

Mr. Bessmertnykh contends that a major peace-making role could be played by such nongovernmental institutions as the International Foreign Policy Association, which was a co-sponsor of the school-seminar in Moscow.

Regional Leaders Discuss Foreign Economic Ties

PM1106112892 Moscow ROSSIYSKAYA GAZETA in Russian 11 Jun 92 First Edition p 1

[Report by Vladislav Kurochkin: "Working Meeting: Who Instructs Whom"]

[Text] A working meeting of the leadership of republics, krays, oblasts, and autonomous formations of the Russian Federation took place at the Moscow State Institute of International Relations recently. Questions of the implementation of international and foreign economic relations within the framework of the Federation Treaty that has been signed were discussed.

Unfortunately, the main report, by S.Yu. Glazyev, first deputy minister of foreign economic relations, prompted many questions from those present, and a number of these questions received no clear answer.

It transpired that the Ministry of Foreign Economic Relations, as in the old days of stagnation, pins more faith on vague prospects, generating no responsibility, than on the need rapidly to tackle questions of enterprises' direct access to the foreign market. The vast influx of commercial information that converges on the ministry from abroad never reaches the Russian "backwoods." But this information is skillfully exploited by commercial structures close to the ministry, which buy it by bribing the relevant officials and then fleece those state organizations in the localities to which the information is supposed to be made available free.

The explanations offered by high-ranking representatives of the ministry were notable for their vagueness.

It was far more interesting to hear the speeches from the floor, by envoys from Yekaterinburg Oblast, Maritime Kray, and other regions, who shared with their colleagues their local experience of establishing mutually beneficial contacts with foreign partners.

Such seminars are undoubtedly useful and necessary, particularly now, given the shortage of market knowledge and commercial information. But they should probably be held at a higher level.

Ruble To Be Accepted in Hard Currency Stores

MK1106125192 Moscow NEZAVISIMAYA GAZETA in Russian 11 Jun 92 p 1

["NG", NEZAVISIMAYA GAZETA, report under the "News in Brief" rubric: "Hard Currency Trade After 1 July"]

[Text] As Russian Government plenipotentiary Konstantin Kagalovskiy has stated, retail trade in hard currency will cease to be prohibited as of 1 July: "We must do nothing to harm the interests of foreign investors who have decided to put money into our economy.

"We must also ensure that our national currency, the ruble, is a legitimate means of payment. Therefore, as of 1 July, all hard currency stores on Russian territory will be obliged to accept payment in Russian rubles at the free rate as well as freely convertible currency at the customers' discretion."

Gold Smuggling Operations Uncovered at Airports

PM1006085492 Moscow Russian Television Network in Russian 1900 GMT 5 Jun 92

[Video report by A. Mikhaylov; from the "Vesti" newscast]

[Text] [Announcer] The radioelectronic industries use gold, platinum, and silver, as we know. Specialists use these metals to create new technology-intensive and miniature radio components while other specialists of what may be called the most recent professions are working out how to accomplish the reverse process—extracting precious metal from finished articles. And they are achieving success.

[Mikhaylov voice over shot of airport building and aircraft on tarmac] Subunits of the regular internal affairs ministry divisions in air transport in conjunction with staffers of the Russian Ministry of Security have conducted a series of large-scale operations at 12 airports during which they confiscated over two tonnes of radio components containing gold which were being taken out of the Russian Federation. At Vnukovo airport alone the law enforcement organs confiscated over 400 kg of these articles stolen from enterprises. No less productive were the airports of St. Petersburg and Rostov-na-Donu. The Rostov Oblast security organs' staffers discovered an underground laboratory in which radio components were turned into virtually pure gold. The total cost of the gold confiscated during the process of the operation was over 70 million rubles. Specialists have calculated that gold-containing materials worth about 500 million rubles have disappeared with no hope of recovery via Rostov airport to the Transcaucasus republics and while

politicians are discussing a single customs area, transparent borders, and conversion, enterprising citizens of a previously united state are exploiting all three concepts for their own personal interests, but counter to Russia's interests. [Video shows airport, customs officials carrying sacks of confiscated components, close-ups of radio components, airport security equipment]

Supreme Soviet

Shumeyko Addresses Deputies on Privatization

LD1206094892 Moscow Russian Television Network in Russian 2017 GMT 11 Jun 92

[Speech by Russian Vice Premier Vladimir Filippovich Shumeyko at Russian Federation Supreme Soviet session in Moscow on 11 June; recorded—from the "At the Russian Supreme Soviet Session" program]

[Text] Esteemed people's deputies, in connection with the influx of new people into the government the reform should proceed faster and, so to speak, in a more clear-cut way. There will in no way be any turning aside from it. The privatization issue is a key one.

At 0900 today the government met and heard as its first item a report on implementation of the Russian Federation law on privatization vouchers for citizens, which you and I adopted and which went into force on 1 July last year. The government discussed this issue and adopted in principle a decision on the issuing of such privatization vouchers for citizens. A vast amount of organizational work will now be done and we shall try to see that this law will have been implemented by somewhere around September and October and that all Russia's citizens will have received the privatization vouchers as stipulated by the law.

Therefore the adoption today of the privatization program is even more essential so as to begin this work. The fact is that on the last occasion, at the last session, we adopted the law, and you are aware that the program operates within the framework of existing legislation. The amendments to the law on making changes to the law on the privatization of state and municipal enterprises give us today the right to adopt this program.

In this connection I want to inform you that the day before yesterday we assembled the coordinating commission here at the Supreme Soviet as usual, and it was attended by all interested persons, all those who were able to attend. We discussed very thoroughly all the amendments and dwelled only on the amendments of esteemed Vladimir Borisovich Isakov. One must say that there is a whole range of these amendments, but they already are at variance with laws that have been adopted and are at variance with what you and I have adopted—all the changes to the law.

The issue of privatization vouchers to citizens, about which I started to tell you, is an extremely complex and technically complex matter, because it will be necessary to issue these vouchers and to issue shares and to organize all this and prepare lists for citizens. It will be necessary to issue all this through the savings banks or pay the citizen a certain amount there for technical accounting. Then in principle privatization in actual fact will already exist.

What we are speaking of—the 100 percent issue of shares for enterprises and the government intends to issue a special presidential decree and begin this on 1 July—is in no way at variance with the program for privatization and does not affect the interests of labor collectives in any way. So that all the enterprises are able to function in the market and at the present time there has been the most frightful drop in production because of reciprocal non-payments the jam as it were that has built up may be removed by the joint-stock organizational and legal form, and at the moment of such joint-stock enterprises being set up all 100 percent of their shares will for the time being belong to the state. But then, if we manage to issue to all Russia's citizens the privatization vouchers as stipulated in our law, they will be able to buy the shares of these enterprises, and things will start moving.

Program Debated

OW1106152892 Moscow INTERFAX in English 1409 GMT 11 Jun 92

[Transmitted via KYODO]

[Text] An attempt has been made today, Thursday [11 June], by the opponents of the government's policy to strike off the agenda the draft programme for privatizing state-owned and municipal enterprises. Deputy Vladimir Isakov who moved that proposal argued that President Yeltsin hasn't signed the bill passed last week "On Changes in Privatization Law". He pointed out that with the new line-up of the cabinet the reforms might be substantially corrected by the President.

The newly appointed Vice-Premier Vladimir Shumeyko countered by saying that the cabinet reshuffle "was not meant for blocking, but for deepening the reforms". In his opinion, the government's privatization programme is "the key issue of the reform policy".

Shumeyko announced that Thursday morning the government considered the new law on privatization vouchers for the citizens and gave orders to implement it. He assured that "the measure would make it possible to issue privatization vouchers in September-October". He pointed out, though, that to carry out the procedure it was necessary to pass a government programme of privatization. By a majority vote the deputies kept the draft on the agenda and opened a debate on it.

May Net R91 Billion for Treasury

LD1106231492 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1700 GMT 11 Jun 92

[From the "Novosti" newscast]

[Text] The state privatization program for 1992 was adopted today by the Russian Supreme Soviet. This means that each one of us may in the future be a proprietor, irrespective of whether one is working, is a pensioner, or a serviceman. Russian citizens should get privatization vouchers issued with their names on them in the fall. The program lists more than 25 assets and enterprises the privatization of which, is prohibited. They include underground mineral wealth, forests, water resources, hard currency, the pension fund as well as the gold and diamond reserves and TV and radio broadcasting centers. It is expected that the republican budget will receive 91 billion rubles from privatization.

After this, the deputies listened to reports at the evening session delivered by First Deputy Chief of the Armed Forces General Staff Barynkin and Interior Minister Yerin on the aggravation of the situation in North and South Ossetia.

A delegation of the Russian Federation Supreme Soviet left for Ossetia today.

First deputy chairman of the parliament Sergey Filatov said that conflicting information is coming from North and South Ossetia. That is why the visit by representatives of the Russian parliament to that region is justified and is necessary.

A closed session of the parliament on the situation that has evolved in Ossetia followed. [video shows hall with deputies and presidium; close ups of some deputies including a senior military figure]

Certain Restrictions Apply

LD1106230592 Moscow ITAR-TASS in English 2231 GMT 11 Jun 92

[By ITAR-TASS correspondent Galina Vinitskaya]

[Text] Moscow June 11 TASS—The Russian parliament adopted on Thursday [11 June] a programme of privatisation of state and municipal enterprises in the Russian Federation in 1992.

The programme aims to create a sector of private owners facilitating a transfer to a market-oriented economy, increase production output by privatising enterprises, ensure effective social welfare for the population, develop a social infrastructure by using funds raised during privatisation, stabilise finances, foster competition, promote further demonopolisation of the economy and attract foreign investments.

The programme prohibits privatisation of over 25 types of objects and enterprises, including the natural wealth, woods, water resources, air space, continental shelf, territorial waters, the republic's economic sea zone, historical and cultural treasures, Russian federal budget and hard currency reserve means, the pension fund, the central bank assets, the gold and diamond stock, military property, television and radio centres, drug and poison-making plants, incinerators and cemeteries.

The programme will come into affect from the day it is published.

The parliament instructed the government to bring all existing enactments and resolutions in line with the current legislation and programme of privatisation by June 15 and adopt by July 25 documents necessary to ensure the implementation of the programme. All disputes that may arise during privatisation will be settled by the court of arbitration. The programme is expected to earn the republican budget about 91 billion roubles.

Filatov Reviews North Ossetia, Georgia Talks

OW1106131392 Moscow INTERFAX in English 1216 GMT 11 Jun 92

[Transmitted via KYODO]

[Text] Russia's Foreign, Defence, and Interior Ministers will report about the situation in South and North Ossetias Thursday [11 June] afternoon. Such a decision was adopted by lawmakers at the morning session of Parliament on June 11th.

The first vice-chairman of the RF [Russian Federation] Supreme Soviet Sergey Filatov has told legislators that at their meeting in Kazbegi on Wednesday [10 June], the Chairman of Georgia's State Council Eduard Shevardnadze and the Chairman of North Ossetia's Supreme Soviet Akhsarbek Galazov decided to set up a supervisory council to make it possible to adopt decisions on the situation in South and North Ossetias "at the level of several states at once". Quadripartite negotiations are also planned with representatives of Georgia, Russia, South and North Ossetia to take part.

Deputy Viktor Aksyuchits announced with reference to a telephone conversation with Mr. Galazov that fighting was still continuing on the approaches to South Ossetia's capital Tshinvali.

A group of RF deputies flew off to Vladikavkaz on Thursday to study the situation in the region.

Session Closes With Appeal to Ossetians

LD1206105792 Moscow ITAR-TASS in English 0935 GMT 12 Jun 92

["Foreign correspondents please note"—ITAR-TASS headline]

[Text] [no dateline as received]—The session of the Russian parliament continued its work on June 12. Opening the morning session, its chairman S. Filatov congratulated

members of parliament and guests on the occasion of the holiday—the day of the adoption of the declaration of state independence of the Russian Federation.

After a short discussion the legislators approved the agenda, which includes the following items:

—the ratification of the agreement on trade relations between the USSR and the U.S. and the agreement on groups of military observers and a collective peacekeeping force in the CIS,

—draft laws "On the institution of the 'defender of free Russia' medal", "On the status of judges in the Russian Federation" and "On changes and amendments to the correctional-labour code, the penal code and the criminal-proceedings code of the Russian Federation" (second reading),

—draft resolutions of parliament on the situation in North and South Ossetia, on the termination of the fulfillment of court resolutions on exacting from pensioners the money, received in excess of state pensions and on state symbols of the former USSR.

The situation in North and South Ossetia is to be discussed at 12.30 behind closed doors.

At 10.10 members of the parliament began to discuss the first item of the agenda. Minister of Foreign Economic Relations P. Aven made a report, and another report was made by E. Ambartsumov, chairman of the Committee for International Affairs and Foreign Economic Relations, Press Centre of the Russian Parliament.

[Moscow Mayak Radio Network in Russian at 1030 GMT on 12 June in a dispatch by correspondent Aleksandr Ruvinskiy from the Russian Supreme Soviet session in Moscow reports: "I can tell our listeners that the Supreme Soviet session has already ended its work for today here in the House of Soviets on the Krasnopresnenskoye Embankment. Once again a closed session discussed the situation in North and South Ossetia. I would remind you that yesterday too there was a closed session, and today the final documents were adopted.

["A decision adopted by the Supreme Soviet supports the introduction of a state of emergency in a number of rayons in North Ossetia. The Supreme Soviet agreed with the proposals put forward by the Security Council in this connection. North Ossetia will be given the necessary material support, and this also entails providing the necessary contingent of internal troops. The point is that the situation in North Ossetia has deteriorated drastically of late. There have been attempts to seize weapons and military hardware to send on to South Ossetia.

["As for South Ossetia itself, the Supreme Soviet has adopted an appeal to the peoples and leaders of South Ossetia, Georgia, and North Ossetia, which also outlines a number of measures to avert further bloodshed in the region. Judging from appearances, multiethnic formations will be set up to separate the opposing sides.

["That is what I have managed to learn following the closed session, which ended its work literally a few minutes ago."]

Abdulatipov on Ossetia; Russia's Involvement

LD1106083992 Moscow POSTFACTUM in English 1802 GMT 10 Jun 92

[From the "Politics" section]

[Text] Moscow—Chairman of Russia's Supreme Soviet Chamber of Nationalities Ramazan Abdulatipov [said] a war in South Ossetia is a war against Russia.

Addressing a news conference held in the White House on June 10, Ramazan Abdulatipov also said: I don't know why the government is not fulfilling the instructions that it has been given by the Congress of People's Deputies and the Supreme Soviet. We need a policy of protecting all the peoples of the Russian Federation. Ramazan Abdulatipov accused the government of having done almost nothing to work out the mechanism for putting into effect the law on the exoneration of the repressed peoples. The state committee for nationalities, he said, is functioning formally and is constantly facing the danger of being disbanded. He also spoke out in favour of creating a new post, the post of the deputy prime minister for nationalities issues.

Opposition Says FRY Sanctions 'Premature'

LD1106191192 Belgrade TANJUG Domestic Service in Serbo-Croatian 1700 GMT 11 Jun 92

[Text] Moscow, 11 Jun (TANJUG)—The foreign policy committee of the Russian Supreme Soviet assessed at today's session that Russia's joining in the UN Security Council sanctions against Yugoslavia was premature, Sergey Baburin, an opposition leader in parliament, told Yugoslav correspondents in Moscow today.

The other important assessment of that committee, which will be given to parliament, commits the Russian Government to initiate a fresh debate in the Security Council on the sanctions against Yugoslavia.

Responsibility for the destruction in Bosnia-Hercegovina should be apportioned among all sides to the conflict, the foreign policy committee of the Supreme Soviet believes. This afternoon's session heard the views of Russian Foreign Minister Andrey Kozyrev and decided that Russia should continue its peace mission in the former Yugoslav Federation.

The Russian Government should also do all it can to halt the fighting in Bosnia-Hercegovina, particularly in Sarajevo and the surrounding area, the committee feels.

Sergey Baburin stressed that his proposal to the committee was that the decision of the Russian Government on sanctions against Yugoslavia should be assessed as a mistake. This proposal, however, was not passed, and

according to Baburin, this problem may not be included on tomorrow's Supreme Soviet agenda.

We will insist that a vote be taken on the proposal that Russia's stand on Yugoslavia should be considered at a session of both houses of the Russian parliament, Baburin said.

Nikolay Pavlov, another opposition leader in the Supreme Soviet, came out with similar views in talks with Yugoslav journalists. He said that he had carefully studied the Security Council resolution and that there is no mention in it of the Muslim side, as though it is not taking part in the war in Bosnia-Hercegovina.

Nikolay Pavlov feels the Security Council in its present form is not good because it is becoming a means by which the diktat of the powerful is achieved. He said that the parliamentary groups that make up the opposition will continue their pressure for a change in the official Moscow position with regard to the situation in Yugoslavia.

The opposition will present its views on government policies as a whole at a meeting in front of the state television tomorrow as well as in parliament.

Stepashin on CIS Peacekeeping Forces Accord

LD0906120192 Moscow POSTFACTUM in English 0930 GMT 9 Jun 92

[From the "Politics" section]

[Text] Moscow—The presidium of the Russian Supreme Soviet has submitted, for ratification by the Russian parliament, the agreement on a group of military observers and CIS collective peacekeeping forces.

The agreement had been signed by heads of CIS member-states in Kiev on March 20. On May 15, two additional protocols were signed in Tashkent: On the status of the group and its formation on its material and technical support and financing.

As proposed by Sergey Stepashin, chairman of the Russian parliament's Committee for Defense and Security Matters, the session should consider not only the agreement itself, but also the two protocols, which have not been submitted by the Russian president to the parliament. According to Stepashin, the agreement has already been ratified by the parliaments of the Ukraine, Armenia and Kazakhstan.

Further on Health Minister's Address

LD1106105292 Moscow Mayak Radio Network in Russian 1700 GMT 9 Jun 92

[Text] In the first half of this year Russia spent only 12 million foreign currency rubles on buying medicine instead of the planned 650 million. This was stated today at a parliamentary hearing by Russian Federation Health Minister Andrey Vorobyev. He said that the reason for this was that virtually all the available foreign currency had gone to pay off the old debts of the medical and pharmaceutical industry. The total sum of debts today amounts to 700 million foreign currency rubles. Vorobyev said that the contracts with Phillips and General Electric were beyond the means of the state budget and the Health Ministry.

Psychiatric Assistance, Treatment Bill Passed

LD1106165592 Moscow POSTFACTUM in English 1515 GMT 11 Jun 92

[From the "Politics" section]

[Text] Moscow—Under the bill of the Russian Federation on psychiatric assistance and the rights of citizens when it is rendered, forced treatment in a mental clinic is possible only under a court order.

On June 10 the Russian Federation Supreme Soviet passed the bill on its first reading. The bill allows for the treatment of psychiatric cases with surgical and other methods causing irreversible consequences only with the consent of the patient. It is prohibited to use medical means to punish the patient or for the convenience of other persons. The limitation of rights and liberties of a person merely on the basis of a psychiatric diagnosis or the fact of the person having been treated in a psychiatric hospital is not allowed. A citizen may be found unfit for the term of 5 years for fulfilling certain types of professional duties under the decision of a medical committee which could be appealed to a law court. Yet, psychiatric patients are entitled to legal aid and to invite any specialist to be placed on the said committee.

Law on Rehabilitation of Repressed People Eyed

LD1006225192 Moscow ITAR-TASS in English 1929 GMT 10 Jun 92

[By ITAR-TASS correspondent Galina Gridneva]

[Text] Moscow June 10 TASS—The Council of Nationalities of the Russian Parliament discussed the implementation of the law "on rehabilitation of repressed people" on Wednesday [10 June].

The deputies described the implementation of the law as unsatisfactory and stressed that the delay in carrying out the law caused ethnic tensions and confrontation in several regions.

Regional Affairs

Yeltsin To Participate in Ossetia Talks

OW1106213992 Moscow INTERFAX in English 1831 GMT 11 Jun 92

[Transmitted via KYODO]

[Text] The Russian President Boris Yeltsin agreed to personally participate in the negotiations on the settlement of the South Ossetian conflict immediately upon his return from the U.S., the head of the North Ossetian Parliament Akhsarbek Galazov told a special "IF" [INTERFAX] correspondent in Tskhinvali while speaking on the results of his telephone talk with the Russian President.

According to Galazov, Yeltsin supported the initiative on the creation of a quadrilateral commission of supervisors comprising representatives of Georgia, South and North Ossetia, and Russia.

At a meeting Wednesday [10 June] with the delegation of political parties "New Russia" block in Vladikavkaz, Galazov said that an attempt of military depots' seizure was undertaken on June 10. After firing some shots into the air the guard began to fire on the attackers, among whom 3 were killed and 6 wounded. All of them are South Ossetia residents. Galazov qualified these actions as "provocation" against the stabilization of the situation in the region.

Ossetians Capture Large Number of Small Arms

LD1206085192 Moscow ITAR-TASS World Service in Russian 2143 GMT 11 Jun 92

[By ITAR-TASS correspondent Roman Zadunayskiy]

[Text] Moscow, 11 Jun—As a result of an attack on a military unit in Vladikavkaz on Wednesday [10 June], armed Ossetian fighters have seized a large quantity of small arms. It was reported to the ITAR-TASS correspondent at the main administration of the procuracy of Russia for supervision of implementation of the law on armed forces that the attackers sent women and children ahead of them. The guard at the military unit where the weapons' depot of the base was located, was forced to shoot not to hit the target, but into the air. As the result, the fighters were able to disarm the guards and acquired 43 "AK" assault rifles with 2,640 cartridges. A group of Ossetians stole 147 assault rifles, 129 carbines, 94 revolvers, eight machine guns, and other weapons from the depot. Besides this they took away with them 3,600 boxes of ammunition.

According to the data available, all these weapons were redispatched to South Ossetia.

Attempt 'Foiled'

LD1106230692 Moscow ITAR-TASS in English 2233 GMT 11 Jun 92

[By ITAR-TASS correspondent Valeriy Shanayev]

[Text] Vladikavkaz 11 June TASS—Several hundred of South Ossetian refugees once again attempted to loot armoured hardware, weapons and ammunition to smuggle them into Tskhinvali. The incident took place today in the afternoon on the ninth kilometre of the Vladikavkaz-Beslan highway, where military facilities of the Vladikavkaz garrison are situated nearby.

Provokers took four servicemen hostage and using a group of women and children as a cover forced their entry into the ammunition depot territory. In exchange for freeing the hostages they demanded to hand over their military property. All efforts to persuade them were in vain. On the orders of the commander of the local garrison fire was opened on the looters.

The attempt to capture military hardware and weapons was foiled. Three of the attackers were killed, and several peaceful refugees forcibly dragged into the misadventure were wounded. The office of the North Ossetian Soviet Socialist Republic has filed a prima facie criminal case against the culprits.

Moscow Mayor Luzhkov Comments on New Position

MK1006154192 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 10 Jun 92 p 1

[Interview with new Moscow Mayor Yu. Luzhkov by Tatyana Tsyba; place and date not given: "Luzhkov: 'I Did Not Try Very Hard To Seize All Power...'"—first two paragraphs are introduction]

[Text] Mayors are not born, they are made. Yesterday Yu. Luzhkov became mayor. This was no accident and no surprise. According to the "Provision on the Election of Moscow's Mayor," the vice mayor becomes mayor in the event of the mayor's resignation. The question arises of who should accept the resignation and appoint the new mayor. This is up to the president in our post-Soviet setup. He issued a decree and Luzhkov took on the job. His tenure is quite legitimate; like the mayor, the vice mayor was elected by a nationwide ballot and the people chose the city's form of government during a referendum, so for the next four years....

But let us not engage in guesswork... At the moment it's very difficult for the new mayor to even find a few minutes for a conversation. So it was all very tense:

[Tsyba] How do you feel in your new post?

[Luzhkov] My work is going as normal. Questions are being decided that were scheduled long before the decree was announced. There have been few changes to my daily routine.

The first problem I encountered in my new role was milk. The oblast, through its mouthpiece Travkin, announced that it will give Muscovites nothing. Travkin also shrieked that Muscovites will not be able to take anything. Owing to the move to free prices, the stores were frightened that they would not sell all their milk. They organized convoys of vehicles to deliver milk. Even though the oblast people are behaving incomprehensibly, Muscovites will not be left without milk.

An attempt has been made to soften the blow. There are 2 million pensioners in Moscow and 1.5 million children and these people really need dairy products, so we have agreed on subsidies.

There are many problems in the social sphere and we are also discussing them at this time. Will there be sufficient budget funding for public health, education, culture, and sport? What about innovations in these spheres? The main thought today is that a lot of people are playing on the difficulties and, effectively, distorting the Moscow Government's policy in this field. Some strike committees have said the following: We want to keep budget funding, we don't need medical insurance, and so on. Moscow has supposedly left us without budget funding and is forcing us to take out insurance. Nothing of the sort. Last year Moscow allocated 2 billion for social and cultural sectors. The aim is now to earmark 40 billion. And we will do this since this is the number one problem. That is enough to keep these areas ticking over, but the right conditions are needed for development. The conditions for development are initiative and hard work: medical insurance, privileged high schools [litsey], fee-paying schools, private schools.... If we do not create an inviting atmosphere today for people who want to try new things in market conditions at a decent budgetary level, we will fail.

[Tsyba] Today all power in Moscow is in your hands. Can you tell us about new Moscow Government appointments?

[Luzhkov] This problem must be tackled within two or three days and Muscovites informed. Whereas previously three people had to exercise control at executive level—the mayor, the vice mayor, and the premier—and power was exercised by two people, now everything has focused on me alone. This may be seen as a concentration of power. I by no means have ambitious schemes, I regret Popov's departure and will do so for a long time; I worked very well with him. I learned a great deal from him in my work. I did not try very hard to seize all power.

As for the technological element, one person alone cannot exercise these functions. There is simply not enough time. My time is very full. We begin at 0800 hours and wind up at roughly midnight. There must be a redistribution of functions, some kind of division of duties, by appointing a new government leader.

Matters are also complicated by the fact that I myself am keener on economic work and have achieved some results. It will be a shame to abandon this field and enter relatively unknown areas for which I do not have very much enthusiasm. As for the premier...I am thinking of consulting with my deputies and with Gavriil Kharitonovich.

There must be continuity, I have no intention of losing my contacts with Popov in the future. While focusing his attention on the Russian Movement for Democratic Reforms, he is nonetheless of use to the city. And he can perhaps provide the kindly advice of an experienced man who has a different view and understanding of the city's problems from two years ago. Then he said: "We will get rid of the entire administration," "We will build our new world...." The new should not always reject the old, the two should cooperate.

[Tsyba] You won't deviate from the administrative-territorial division?

[Luzhkov] We will strengthen the municipal okrugs and invite everyone who holds the city's interests dear, everyone who can perceive its new look and new tasks to change the structure of representative power. That must happen. There must be equal authorities, recognition of the executive as an autonomous structure, clear defnition of the functions of each of these systems, and the definition of clear areas for cooperation.... That is an objective necessity, the whole world has long since come around to this, yet our deputies still cling to the slogan: "All power to the soviets."

I would like to suggest a very simple formula—municipal okrugs (they could be called rayons) will receive greater rights of economic management. There could be soviets that are as close as possible to the residents who elected them. There could be 11 deputies so that voting would be OK. And at city level—50 competent deputies, specialists with a good knowledge of the law and the prerogatives of the representative authority who can decide where the budget is to be used owingto their knowledge of social problems, people who can skillfully analyze how correct the executive's decisions are. And thus exercise supervisory functions. But they cannot interfere. That won't happen and it's not happening.

[Tsyba] You are not starting with a clean slate, you have mistakes as well as achievements to your credit, don't you?

[Luzhkov] Every day I look at documents the size of the collected works of Leo Tolstoy. I take hundreds of decisions every day, very important decisions. People may say, he's made a mistake. Americans have calculated that if 30 percent of the decisions that are taken are mistaken, you still end up with a positive result.

It is not a question of any concessions, our society is a tough one. But if we send each of these 100 decisions to the deputies, as this law—"On the Kray and Oblast..."—to which they are constantly referring demands, life will grind to a halt.

Thus perestroyka is needed, not Gorbachev-style perestroyka but logical perestroyka based on knowledge rather than impulse.

[Tsyba] There will shortly be a holiday—Russian Independence Day. How is Moscow preparing for it?

[Luzhkov] There will be a concert in Manezh Square. Many people are asking whether this will be a working day or not. That is not within my remit, but I do think that this should be a day off. Holidays are holidays after all. We all have many concerns on our private plots of land, wondering whether our cucumbers can be sorted

out and our potatoes dug up. People say that it's easier to do these things on holidays.

[Tsyba] Where is City Hall now, back on Tverskaya Street, or in the former CEMA building? Do you intend to move to new offices?

[Luzhkov] I am a conservative, I get used to things.... I at least won't be leaving this office. Here I have the right links with the right people. I have comfortable working conditions and any move will be a waste of time.

Luzhkov Outlines EC Humanitarian Aid Plan

OW0906172892 Moscow INTERFAX in English 1510 GMT 9 Jun 92

[Transmitted via KYODO]

[Text] Moscow Mayor Yuriy Luzhkov said that a preliminary agreement was reached with the Committee of the EC to send humanitarian aid to the capital. "If it wasn't for foreign humanitarian aid the food situation in Moscow would be disastrous, especially concerning meat and butter", Luzhkov said speaking at a session of the Moscow government Tuesday [9 June] at which humanitarian aid from the EC was discussed.

The current EC program of aid to Moscow ends in June. The city was sent 35 thousand tons [as received] of meat, 14,5 thousand tons of animal fat, 18.8 thousand tons of condensed milk, 12 thousand tons of cooking oil, and 22 thousand tons of baby food.

The more than half billion ruble profit from the sale of the products will go to support the needy.

Moscow Leaders Accused of Corruption

LD0906211992 Moscow ITAR-TASS in English 1746 GMT 9 Jun 92

[By ITAR-TASS]

[Text] Moscow June 9 TASS—"I am afraid Mafia structures came to power on shoulders of our young democracy, they have divided spheres of influence in Moscow between themselves, sold to each other best parts of the city and took so much the smoke screen of democracy and the august victory they covered their underground activities with became unnecessary and hampering their development," believes correspondent Yuriy Shchekochikhin. [sentence as received]

The correspondent named Yuriy Luzhkov, recently made the Moscow mayor, among "real masters of Moscow", in a LITERATURNAYA newspaper article.

"It is interesting whether Luzhkov will fill in tax declaration," wonders Shchekochikhin. "It is also interesting how he will explain what incomes enabled him to spend vacations in the United States together with his wife or to visit Great Britain with her in December.

"I cannot believe the Austrian Nordex firm paid his travelling expenses in the first case, and the same did the Most joint venture in the second case," says the correspondent.

Shchekochikhin cites information from a certificate on activities of the Moscow registration chamber. It says the majority of founders of over a dozen of new firms and joint ventures in Moscow are departments of the Moscow mayor's office. The founders include Yuriy Luzhkov.

Luzhkov is personally interested in the Most joint venture, which "has bought for nothing over one hundred buildings in Moscow". Another certificate from the Moscow procurator's office on activities of the Moscow Agricultural Committee (Luzhkov and others) dwells on a tens of millions of roubles damage done to the Russian budget in 1988-1989.

"Another real master is Ye. Bystrov, until recently the business manager of ex-Soviet President Mikhail Gorbachev, and now a major real estate owner in Moscow", says Shchekochikhin. Another name is P. Bogdanov, ex-head of the Moscow main interior department and currently the chairman of the Seabeko firm, whose residence is located in a building belonging to the Moscow main interior department.

Shchekochikhin describes as "corruption" the relations of Bogdanov and other police generals with the Sovkuwait engineering joint venture.

Analyzing this information, the correspondent concluded "everything remains unchanged. Possibly, one group has been replaced by another. But all of them from the same old team". "Even if the procurator's office has materials to be used, there will be no use of them. It seems it is useless to fight, it is already useless."

"People are stronger than laws. Those people, covering with the names of democratic leaders, have long began getting ready for laying their hands on the major Moscow wealth: land, buildings, organizations and mass media, after democratic [word indistinct] ends.

"They are ready to oppose democracy and those who personified it during rallies on Manezh Square and on barricades around the White House," says the correspondent.

Moscow Government Counters Gonchar Attack

PM0506130592 Moscow IZVESTIYA in Russian 3 Jun 92 Morning Edition p 2

[Viktor Belikov report: "Moscow Government Is Deliberately Ruining Enterprises, States Chairman of Moscow City Soviet"]

[Text] This allegation was contained in the 1 June speech made by Moscow City Soviet Chairman N. Gonchar at the city soviet session which is under way.

As reported, proposals by the Moscow Government to privatize the property belonging to the whole people

were discussed. It became clear during the discussion that the deputies' attitude toward the program was mostly negative. Particular hostility was aroused by the assumption that "only around 5-10 percent of Muscovites will form the owner class." "And what about the rest of the city inhabitants—our voters?" was the immediate concern of those people's deputies still true to the principles of "leveling." The emotions stirred were further inflamed by the Moscow soviet chairman's speech.

"You get the impression," Gonchar said, "that deliberate disorganization of the work of industrial enterprises is under way and that they are being brought to bankruptcy. This is beneficial perhaps to those who control the basic money supply in the country and would like to privatize them at a very low price by depressing their value. How else can you explain the reluctance of the structure of authority and of the banking structures to resolve the problem of enterprises' reciprocal settlements?"

From the rostrum the leader of Moscow's corps of deputies unambigously pointed the finger of blame at the city administration for running down industry's operation to suit the nouveaux riches.

What, then, was the Moscow Government's reaction to this? At the government's press center your correspondent was told as follows: "This serious charge is evidence, in the opinion of members of the government, of the constant confrontation and conflict between Moscow deputies and the city executive authority. As usual, not a single specific fact or single figure substantiating the allegations by the people's elected representatives is cited.

"Unlike them, the Moscow Government could cite a considerable number of examples of daily assistance rendered to the city's enterprises in today's very difficult socioeconomic situation. Here is just one relatively recent example: In the middle of May, with the personal involvement of Moscow Premier Luzhkov, credit of 1.7 billion rubles was obtained from commercial banks to support electronics production units at Zelenograd, on the outskirts of Moscow, which were on the verge of grinding to a halt."

Deputies Demand Full Report From Popov

LD1006222892 Moscow ITAR-TASS in English 1849 GMT 10 Jun 92

[By ITAR-TASS correspondent Igor Belskiy]

[Text] Moscow June 10 TASS—The Moscow City Soviet will not accept the resignation from the Mayor Gavriil Popov, because, according to it, by doing so before the expiration of his term of office the Russian Federation legislation was violated. Deputies insisted on the submission of a personal application from the mayor regarding his laying down the responsibility as head of the city administration before the end of his term of office.

In the decision taken, the City Council today demanded from Popov to submit to the Moscow soviet a full report of the work done during the year in his capacity as mayor of Moscow. According to the document, Gavriil Popov should be warned of the consequences of not abiding by this decision, and absenting himself from the session without valid reasons or non-submission of the report.

The Moscow soviet session also requested the President of Russia Boris Yeltsin to name a candidate to the post of the head of the City Administration for its approval by the capital's council.

Muscovites' Support for Yeltsin Decreases

PM1006092592 Moscow IZVESTIYA in Russian 9 Jun 92 Morning Edition p 3

[Report by Nugzar Betaneli, director of the Institute of Sociology of Parliamentarianism: "Can Communists Return to Power?"]

[Text] The independent Institute of Sociology of Parliamentarianism has conducted yet another weekly poll of 1,000 Muscovites for the "Itogi" program of the Television News Agency.

Polls (28 May, 4 June) have shown that approximately 40-45 percent of Muscovites support the ban in force today on the CPSU's activity, 19-20 percent are "indifferent," 20-24 percent take a "negative" attitude, and 15-16 percent "find it hard to define" their position. The possible stereotypes for the perception of these figures can be guessed in advance: "Everything is clear: It is mainly pensioners who oppose the ban on the CPSU's activity." Indeed, 25 percent of pensioners are opposed to that decision. The stereotypes collapse, however, if you continue the analysis: 22 percent of young people in the age range "up to 20 years" are opposed to the ban on the CPSU, as are 23 percent in the age range "20 to 29 years," one in five in the age range "30-39 years," and approximately one in every three or four in the groups "40-49 years" (32 percent), "50-59 years" (29 percent), and "60 years and over" (22 percent).

What are the reasons for this attitude? Just 28 percent were able to argue their position. It turns out that they favor the ban because "the result of the CPSU's activity is negative, the party compromised itself, it impedes reforms, and life has become better without it." Some 19 percent of the Muscovites who come out "against the ban" argued their position by saying: It is undemocratic and unlawful; the idea itself of communism is not bad, and you should not strike out everything: There were honest communists, and there were good things in the past; previously life was better (more food and order, and "it was possible to complain to the rayon party committee"); "the democrats behave just the same," etc.

Could the communists return to power in Russia? This is evidently the question that is of equal concern to both supporters and opponents of the former power. According to the forecast of 30 percent of Muscovites, the "restoration" of the communist system in Russia is quite probable, 45 percent think that this most likely will not happen,

while one person in every four polled found it hard to say anything definite. What are the political expectations of the voters themselves? It is possible to judge this from the answer to the question: Would you personally like the communists to return to power in Russia?

	(percentage of those polled)
Yes	12
No	59
All the same to me	11
Hard to say	18

As the poll showed, a steady public opinion has not yet taken shape on this problem. It is "all the same" to 11 percent of voters whoever comes to power in Russia, while 18 percent do not have any opinion on this count. The political apathy and skepticism of the electorate are threatening to become the No. 1 problem for Russia; the majority of people do not have a' y political sympathies for any of the present parties and movements (49 percent), and a further 40 percent of the population know nothing about them or find it hard to define their attitude. Just 11 percent have sympathies for some party.

The number of Muscovites who do not believe in the success of B.N. Yeltsin's economic policy increased during last week from 50 to 57 percent. Even during the period of the first (January) shock resulting from price liberalization this indicator did not exceed 49 percent. The number of voters in favor of the Russian Government's immediate resignation increased in recent months from 9 percent in January to 19 percent on 4 June.

At the present stage of the economic crisis the Russian Government is largely holding out on "the brink" thanks to the "Yeltsin factor." But the events of recent months have also struck a blow at the image of the president himself.

Comparative analysis shows that B. Yeltsin's personal rating today is balancing on the brink between support and no support. Today, one year after his convincing win in last year's election, President B. Yeltsin's rating has fallen appreciably on a scale formulated by the Institute of Sociology of Parliamentarianism. This is how Muscovites defined their attitude to the president:

	(percentage of those polled)
Very positive, an active supporter	2
Positive	28
With some positive interest	15
Indifferent	5
With some suspicion	22
Negative	16
Sharply negative, an active opponent	1
Hard to say	11

Alleged Chechen Role in Moscow Crime Viewed

PM1206080192 Moscow KOMSOMOLSKAYA PRAVDA in Russian 6 Jun 92 p2

[A. Korzun report under the "Fact and Fantasy" rubric: "The Chechen Mafia and Terrorist Acts in Moscow"]

[Text] **Explosive Week**

Worn down by the confusion of everyday life, the only thing Muscovites are lacking now is a mine or bomb planted somewhere on the subway or in a movie theater. As it is, ordinary people far removed from politics read about these accursed objects virtually every morning on their way to work. The following is perhaps by no means a complete chronicle of the last few days:

30 May. An unidentified person dialed 02 at 2122 hours and said that a mine had been planted on the third floor of the White House.

3 June. MOSKOVSKIY KOMSOMOLETS wrote that a homemade bomb had "exploded" under the door of the apartment of the director of a small enterprise.

3 June. An unidentified person telephoned 38 Petrovka Street and said that an explosive device had been planted at Belorusskiy Station. A reinforced militia detail searched for the device without success.

4 June. Moscow's KURANTY informed its readers that the night before, in the space of two and a half hours at three different points in Moscow, homemade explosive devices had blown out the doors of apartments whose owners had the misfortune to live on the same staircase as the deputy chairman of a small enterprise, the chairman of another, and the deputy chairman of a commercial bank.

We Were Warned

Observant Moscow readers cannot fail to have noticed that reports on bombs and explosions increased immediately after IZVESTIYA and several other publications carried a mysterious paragraph by INTERFAX. Quoting a speech by Yevgeniy Savostyanov, head of the Russian Security Ministry Administration for Moscow and Moscow Oblast, at a session of the Moscow Crisis Management Committee, it said that political terrorist acts could be organized in Moscow by Chechen President Dudayev's "men" on orders from Groznyy.

Moreover, the agency quoted the head of Moscow's Chekists as saying that 15 large criminal groups are now active in Moscow, the most powerful of which has some 400 members and, naturally, is Chechen.

Does this mean that the explosions across Moscow confirm Ye. Savostyanov's warning and the Chechen mafia (perhaps the Chekist did not mention them without reason?!) have already begun their terrorist activity?

Political Terror as a Means of Solving Problems?

If we assume that the Russian Security Ministry is not bluffing and really does have incontestible evidence that the Chechens are prepared to carry out terrorist acts in the capital and are under direct orders from Groznyy, one naturally wonders who is benefiting from this.

Groznyy is clearly dissatisfied with the pace of demarcation from Moscow and the fact that so far no one has recognized its independence. It is possible that someone in the Caucasus could have come up with the old idea which, about 100 years ago, haunted members of the Russian People's Freedom Party, who believed that terror was the motive force of history. In that case, Groznyy can have only one aim—to cause terrified demands from Muscovites to the Russian authorities along the lines of: "Let them clear off and take their independence with them, as long as they leave us in peace."

Could Dudayev Give the Command?

While in no way linking this to the aforementioned INTERFAX report, I would like to quote several answers by Dzhokhar Dudayev which we did not risk printing in KOMSOMOLSKAYA PRAVDA last November when we published an interview with him:

"If Moscow takes any action against our people and republic, we will not allow those responsible for the evil to sleep easy. We have had enough."

And this is what D. Dudayev said then on the telephone from Groznyy about those directly responsible for carrying out these threats: "There are probably about 400 such people in Moscow. They are waiting to see what happens. Approximately the same figure is given by those back from Moscow."

I would like to draw attention to the fact that Ye. Savostyanov's figure regarding the size of the Chechen mafia group in Moscow coincides with D. Dudayev's statement.

On the Subject of the Chechens' Attitude to the Mafia

People in Checheniya, which I visited recently, are perfectly well aware of Russians' views on the place in the Moscow criminal world held by emigrants from this Caucasian republic. I got the same irritated answer from everyone with whom I started talking about the "Chechen mafia": "Stop seeing us all as criminals. The entire nation cannot be answerable for the sins of a handful of compatriots who have become criminals."

Who, in that case, are the 400 Chechens intimidating the whole of Moscow: Dudayev's "loyal men," or simply bandits of whom the rest of the Chechen people are ashamed?

But Has There Been Terrorism?

Fortunately, no one has suffered in all these bomb hoaxes and real explosions. However, none of the "telephone hoaxers" or real bombers have suffered either. They simply have not been caught. Consequently, none of the officials from competent bodies whom I have approached will venture to say that Ye. Savostyanov's warning about General Dudayev's "long arm" showing the way to hundreds of Moscow gangsters is coming true.

As international practice shows, most serious political terrorist acts are carried out by trained "visitors," rather than by criminals. The former have yet to be detected. The latter, judging by Russian Security Ministry assurances, have long had their names on record. Moreover, analysis of the explosions in residential buildings this week, as the Russian Security Ministry has confirmed, does not come under the category of "political terrorism."

More About Checheniya's Interests in Moscow

There follows an excerpt from an interview with I. Suleymenov, head of the Chechen intelligence service:

[KOMSOMOLSKAYA PRAVDA] Do members of your service work outside the republic?

[Suleymenov] Our intelligence service is no different from any other intelligence service in the world.

[KOMSOMOLSKAYA PRAVDA] Do they work in CIS countries?

[Suleymenov] Yes, but not against them.

But if someone in Moscow, Chisinau, Dushanbe, or any other city is preparing to encroach on our sovereignty, this cannot be a matter of indifference for us....

According to one high-ranking member of the Russian Security Ministry, after Dudayev's threats last year, state security bodies were not so much afraid of terrorist acts as of Russians' uncontrolled response to these actions.

So Who Is Responsible for the Explosions?

So much has already been said and written about the impudence and ruthlessness of Chechen "specialists in organized crime" that new reports of their evil doings only strengthen the sorry stereotype of Chechens. Consequently, it is no accident that ordinary people have made a direct link between Ye. Savostyanov's warning and the explosions which followed it, immediately ascribing them to the Caucasians.

However, we are nevertheless inclined to believe that, indirectly aided by the head of the Security Ministry's Moscow Administration, the local mafia are going about their evil business, simultaneously making a fresh attempt to oust their visiting "colleagues" from the "criminal market."

"I cannot rule out the possibility that the mass media's publication of the contents of Yevgeniy Savostyanov's

speech and the wave of explosions which followed are connected," A. Mikhaylov, head of the Public Relations Center of the Russian Security Ministry Administration for Moscow and Moscow Oblast, said. "When the possibility of one criminal group—the Chechens in this case—committing terrorist acts has been declared, why should other, no less dangerous criminals not exploit this cover?"

In Conclusion

Chekists engaged in the fight against organized crime are convinced that discussing the subject of "Chechens and terrorism" will only make the situation in Moscow worse. A. Mikhaylov complained: "We must not allow leaks of information of the kind given out by INTERFAX. But at the moment we are forced to simply appeal to journalists' conscience."

However, we in turn would like to appeal to the elusive officials in the Russian Security Ministry: As we have learned there is a threat to people's lives, perhaps they should tell us just how serious this threat really is and what is being done to ensure that inhabitants and guests of the capital do not suffer.

St. Petersburg Militiamen Picket Building

LD0506133892 Moscow ITAR-TASS in English 1906 GMT 4 Jun 92

[By ITAR-TASS correspondents Lyudmila Fomicheva and Anna Scherbakova]

[Text] St. Petersburg June 4 TASS—St. Petersburg militiamen timed their protest action to the address of their boss, head of the St. Petersburg and province's department of the interior, Major-General Arkadiy Karamerev, to the session of the city council today. Militiamen picketed the Mariiskiy Palace, where the session was held, demanding social justice and warning against the danger of a crime explosion. "We do not want to be watchmen at bazaars and cooperatives, instead, we want to be reliable guards of our fellow citizens," one of the slogans said.

"Militiamen who came to the square wanted to help me, instead of it they only complicated the situation. Their demands are justified. I spoke no less sharply to people's deputies about problems of militiamen. But workers of law-enforcement bodies do not have the right to give way to emotions," Arkadiy Kramerev told ITAR-TASS.

Notwithstanding the dissatisfaction with their social condition and technical equipment of the department of the interior, they continue to perform their duties. Only off-duty militiamen took part in the picketing, Arkadiy Kramerev stressed.

Managers Accuse Government of Incompetence

LD1106130692 Moscow ITAR-TASS in English 0828 GMT 11 Jun 92

[By ITAR-TASS correspondent Evald Kessariiskiy]

[Text] Nizhniy Novgorod, the upper reaches of Volga, June 11 TASS—Managers of enterprises in the Nizhniy Novgorod region, a major industrial area of the country where many huge defence plants are located, accused the Russian Government of incompetence in decision-making today.

Their appeal to the Russian Federation Supreme Soviet points out that the catastrophic plunge in production and enterprises' mutual debts amounting to 50 billion roubles have been the result of the policy enacted by the government. The council of the directors' association put forward several tough demands, including the demand that the state order for defence factories be urgently defined and the law on privatisation be changed in the interests of worker collectives.

Simultaneously, workers at plants and associations begin meetings at which calls are made to elaborate a programme of military production conversion, stop the unrestrained surge in prices, lift the added value tax on basic foodstuffs and halt small privatisation through auctions in the city.

Calls for the need to set up strike committees and hold demonstrations and rallies against capitalisation have also been made more frequently in worker collectives lately.

Land Reform Begins in Khabarovsk Kray Rayon

OW1106180592 Khabarovsk Radio Khabarovsk Network in Russian 0950 GMT 11 Jun 92

[From the News program]

[Text] Land reform is being carried out in the Polina Osipenko Rayon. A commission has been formed which approved land quotas at 2 hectares to be owned by citizens for personal supplementary gardens. For farmers, this quota is 11.5 hectares, and includes arable land, hay making areas, and pastures. In all, there are 16 peasant and farm enterprises organized in the rayon. In the main, [words indistinct] farmers who began farming several years ago [words indistinct] and are on their feet, however, new owners of land parcels do not have farm equipment in sufficient quantities. It is expensive at present, but one cannot live without it in the village.

Russian, Buryat Accorded Official Status

LD1106103192 Moscow Radio Rossii Network in Russian 2000 GMT 10 Jun 92

[Text] Two languages at once—Buryat and Russian—have been accorded status as official languages in Buryatia. This was recorded in the law on languages adopted by the Republic's Supreme Soviet on 10 June. This legislative act takes into consideration as much as possible the rights of the people belonging to all 60 ethnic groups living on the territory of the former autonomous republic. The articles of the law preclude discrimination on language grounds and at the same time guarantee a revival of the Buryat language in all spheres of life in society.

Yakut President's Article on Regional Goals

PM1106083992 Moscow ROSSIYSKAYA GAZETA in Russian 6 Jun 92 First Edition pp 1-2

[Article by Mikhail Nikolayev, president of the Sakha (Yakutia) Republic under the rubric "Government Regional Policy: Analysis and Assessment": "Everyone Must Make His Contribution"]

[Text] The other day I had a talk with workers in the city of Neryungri, which is the acknowledged center of the major coal region known until recently as the Yuzhno-Yakutskiy Territorial-Industrial Complex. It is a young city and the first children born there are still at school. It was the pride of the country's entire coal industry. At the time there was plenty of everything in Neryungri. A superfluity even. Yet it was in this same city that a worker at the biggest coal combine admitted bitterly that he was not always able to buy bread for his family. But the average monthly pay of workers at the enterprises is of the order of 14,000 rubles [R].

What is the problem? There is no cash in the bank to give people their regular and holiday pay, allowances, and pensions. In Neryungri only the other day they paid off the February pay arrears. As is well known, there have been great problems with cash in other regions of the Russian Federation.

Of course, we in the provinces are not doing nothing, but are taking every conceivable step to relieve the tension and help the population through the difficult times. Sometimes you have to join the leaders of the Russian Government and State Bank in making reassuring promises: Moscow is about to start issuing more money. But most people do not accept this argument, they are sick to death of promises, people say.

Something is happening which could have fatal consequences, due to ill-conceived economic reform measures and the lack of consistency in the steps that are being taken. But was it difficult to predict today's situation? Pay restrictions were removed and prices were freed. Everything was now tens of times greater or more expensive than at the end of last year. But it was six months before the document regulating the cash supply appeared. Indeed, the printing machines at the state mints could have switched long ago to making larger-denomination bills.

No matter how cunning monetary policy is, like any other policy it has to be geared to the people's benefit, not to inflaming tensions in society. The current shortage of money is a powder keg which already has a fuse attached to it.

I do not want to dramatize the cash supply situation. But I have to talk about it with both pain and anger, since again the ones who have suffered most are the populations of the regions which have been turned into the central departments' raw material appendages. The main products of the Sakha (Yakutia) Republic are diamonds, gold, tin, antimony, coal, and natural gas. You do not take this currency-earning raw material to the bazaar or offer it for barter. You do not create processing sectors overnight either. On top of that you have a set number of people working at mining enterprises. Most of the population are people who are in the republic for the duration of a labor contract. They go home to spend their leave. So they take out the money they have accumulated and a certain amount of food and goods. And no one wants to get involved with checks, because they have no confidence in them. Everyone demands cash. Since there is no local goods market and no commercial structures people also take out cash to buy goods in central cities and countries of the CIS. You have a situation where as soon as cash comes into the republic it goes back the way it came.

The North is the North. Life in the permafrost, far from home, and in conditions where housing, foodstuffs, and everyday items are in short supply makes people particularly vulnerable when there are problems, particularly if they are created artificially. You also have to consider the fact that the allowances that used to be available for people working in the Far North have now practically disappeared. Arranging pensions, reserving housing in their home cities, making regular payments to obtain cars, and so on have become very problematical for those who came to the North from the former Union republics.

The merely formal recognition of the specific working and living conditions in the North, whereby decisions on paying greater attention to those in the North have no practical impact, gives rise to an adverse reaction, to bitterness. The loss of confidence in the future is affecting production. That is one of the reasons for declining production in the republic's mining enterprises. But let us not forget that what we are talking about is currency-earning raw material!

The conclusion that comes to mind is unpleasant, but it is a serious one: Certain people want it this way. They want to see constant tension in regions such as our republic, they want people to be suspicious of and to distrust the local authorities. The atmosphere of stability, peace, and harmony in our multinational republic is not to their liking. Certain Moscow media, seizing on the odd negative episode, are prepared to draw far-reaching conclusions concerning extremism and isolationism in the republics that form part of the Russian Federation. Or, on the other hand, many central publications appear to deliberately ignore the problems of the sovereign republics and other ethnic entities and are unable to find room in their pages to benevolently and objectively reflect the underlying processes taking place in these republics.

We have long been familiar with this kind of attitude on the part of the center to our republic's concerns and needs. It is effectively a continuation of the notorious policy of diktat, the policy of consigning peoples' fundamental interests to oblivion, which took root in the administrative-edict system's heyday.

But times have changed, the social and political situation is different, and the Sakha (Yakutia) Republic, having chosen the path of revival and cast off forever the fetters that were binding its economic independence, is taking the first steps as a sovereign state, part of the Russian Federation. Eighteen months after state sovereignty was proclaimed the republic's new constitution was adopted, reflecting the generally recognized principles of state organization, socioeconomic development, and the priorities of the rights and freedoms of the individual, which are the norm in the civilized world. Our new Constitution also fully accords with the principles of the Federation Treaty signed 31 March by the official delegations of the republics in the Russian Federation. We were very actively involved in the elaboration and prompt signing of this highly important document. Our premise was that, given the breakup of the Union state and in view of the qualitatively new level achieved by the former autonomous entities in economic and cultural development, it is the Russian federal system that can provide equal rights, proper living conditions, and social justice for its multinational people and guarantee the peoples of Russia the fundamental right to self-determination. The renewal or, rather, the rebirth of the Federation and the revival of Russia in general can happen if there is constant and full consideration of the interests of the equal sovereign republics that form part of it.

The Federation Treaty is already in operation, it came into force the day it was signed, and it obtained the approval of the Sixth Congress of Russian Federation People's Deputies. But, unfortunately, the federal organs of state power and government clearly decided it was a run-of-the-mill document and they shelved it. Neither the Supreme Soviet, nor its Presidium, nor the Russian Federation Government is taking any significant steps to develop the Federation Treaty, moreover, in some cases there are already signs of attempts to ignore or deliberately evade the treaty articles. Yet the Federation Treaty's subtitle says that it is a treaty on demarcating spheres of authority and powers between the federal organs of state power of the Russian Federation and organs of power of the sovereign republics in the Russian Federation.

Let me give some specific examples. Point 3 of Article 1 says that the "republics in the Russian Federation are guaranteed representation on the federal organs of state power of the Russian Federation." But if you pass through the corridors of government or of the numerous ministries you are hardly likely to meet representatives of the republics there. Yet there is an acute need to have our "own" people in the organs of power, particularly in view of the special conditions in our republic.

The breaking of the traditional economic links between regions has led to disruption in deliveries of material and technical resources, which, in turn, causes a whole series of ruptures in specific enterprises' horizontal and vertical links. A 20-70 percent drop in receipts of the entire basic range of material resources is expected in our republic this year. Provision of material and technical resources for the major "Zoloto Yakutii" gold-mining concern will be a mere 30 percent of the volume of supplies for state needs in 1991. And most enterprises in the concern are situated beyond the Arctic Circle, in inaccessible areas.

The fuel resources situation has deteriorated. Here too supplies are expected to be nearly 75 percent down. Against the background of our long and severe winter this reduction looks like forcible curtailment of production. In midwinter tens of thousands of people, entire settlements, would be left without light and heat, left to face the freezing cold and the Arctic night. As is well known, the power networks are managed by the federal organs of state power. One has a nagging doubt: Do the department's staff know what the Yakutia winter is like and what life will be like without fuel?

Judging by what they are doing, they do not know.

When supplying material and technical resources to the Sakha (Yakutia) Republic, apart from anything else they fail to take account of the special supply terms stipulated by the 4 April 1992 Russian Federation Supreme Soviet resolution "On Measures To Safeguard Supplies of Products (Goods) to Areas of the Far North and Equivalent Localities." It is a fine resolution, but if only it worked, for heaven's sake. There have been practically no improvements so far. Yet there has also been a Congress of Russian Federation People's Deputies resolution on the North...

And another question closely connected with the implementation of the Federation Treaty: price policy, the principles of which it is also the federal organs' job to establish.

The main products of the republic's enterprises (electricity, coal, precious metals and raw materials) are produced and sold at regulated prices. But the material part of production (machinery, equipment, raw material, spare parts) is released by suppliers at free prices, on which there are no limits. In conditions of the abandonment of ministerial control of sectors prices are beginning to be formed on the basis of the individual costs of specific enterprises, rather than on the basis of sector costs. High transport costs, northern pay allowances, and excessive interest on credit, which has to be used in early import delivery situations, place an extra burden on the manufacturer's free price.

In conditions of price liberalization and diktat by suppliers the Russian Federation Government resolution on regulating the prices of monopoly enterprises' products is not having a positive impact at the moment. For some reason the publication of the document regulating the composition of expenditure included in the cost price of the product and the income part of the price has been delayed.

In order to adopt a more objective approach to pricing questions in Far North conditions, why not establish a price regulation fund, with the money going to those areas where the cost of the goods they produce and the

price of imported products are much higher for reasons which have nothing to do with the territory?

No, we are not bleating; we demeaned ourselves enough in that way during the years of departmental diktat and implementation of a colonialist policy vis-a-vis remote areas. But we have a right to insist today that adopted laws, decrees, and resolutions should operate in full and that everyone should do his bit. That applies above all to Russian Federation government leaders and ministers. It would not hurt them to visit the provinces more often and talk with people. I say this not because I expect them to come and sort everything out. We are not shirking our responsibility. Given the republic's new status, which specifies property rights and confirms the powers of the sovereign republic's organs of authority, we must and we will do all we can to give the republic's inhabitants confidence in their well-being. But the Russian leadership must also recognize and address regional policy.

International Affairs

Kravchuk, Shevardnadze To Meet in 'Near Future'

OW1106223092 Moscow INTERFAX in English 1831 GMT 11 Jun 92

[Transmitted via KYODO]

[Text] The leaders of Ukraine and Georgia are expected to meet in the near future as Eduard Shevardnadze expressed his intention to visit Kiev, the personal representative of the Ukrainian President Nikolay Mikhailichenko told "IF" [INTERFAX] on completing his meeting with the Chairman of the Georgian State Council on Thursday [11 June] in Tbilisi.

The representatives of the Ukrainian President delivered a private message from Leonid Kravchuk to Shevardnadze. According to Mikhailichenko, the Chairman of the Georgian State Council agreed with Kravchuk's principal proposals. Issues concerning bilateral relations and prospects of cooperation between Ukraine and Georgia were discussed during the negotiations.

Kravchuk Meets With Netherlands Minister

OW1006160992 Moscow INTERFAX in English 1328 GMT 10 Jun 92

[Transmitted via KYODO]

[Text] At his meeting with the Netherlands Foreign Minister Hans Van den Broek on Tuesday [9 June] in Kiev the Ukrainian President Leonid Kravchuk said that economic reforms must be introduced thoughtfully in crisis conditions.

Kravchuk noted that any hasty step forward can break down the system of reforms and cause a social burst. He believes it is uselessly to compete in implementation of reforms to win the first place between Russia, Byelarus, and Ukraine.

The Ukrainian leader thinks that the Western businessmen must fearlessly introduce their capital into the Ukrainian economy to accelerate this process minding "that a number of laws have been adopted aimed at the creation of favorable conditions for foreign investments".

The President also noted that "though the process of the Ukrainian own currency's introduction is being delayed the plan and conditions for its introduction have been developed".

Minister Sums Up Visit

LD1106101492 Kiev UKRINFORM in Russian 1700 GMT 10 Jun 92

[By UKRINFORM correspondent Aleksey Trotsenko]

[Text] Kiev, 10 Jun—"I am satisfied with my visit to independent Ukraine. During meetings and conversations with Leonid Kravchuk, president of Ukraine, Foreign Minister Anatoliy Zlenko, and a number of other ministers, a reliable basis for further relations between our countries has been created", Hans Van den Broek, foreign minister of the Kingdom of the Netherlands, said. He ended his two-day stay in Kiev with a news conference today for Ukrainian and foreign journalists.

The main thing, the guest stressed, is that we have managed to define those spheres where our links can be the most effective. These are first of all economy, especially agriculture, protection of environment, and training of specialists. Netherlands was the first country to sign an agreement with Ukraine on transportation of cargoes. We also agreed that approximately in November of this year an air link with Ukraine will also open. We expect that two such flights will be taking place every week. The signing of an agreement on a sea link is also in prospect.

The minister also stressed that Netherlands will actively assist Ukraine's joining of the IMF, the International Bank of Reconstruction and Development, and other European structures. The National Bank of Netherlands, which is independent, the guest said, will assist in granting investments to Ukraine.

As for diplomatic ties, Netherlands will allocate five places in the Diplomatic Institute for training specialists for Ukraine. In our country, the minister said in conclusion, Ukraine is regarded as a major state which is to play an important role in Europe. We value highly Ukraine's position in solving the conflicts in the Dniester area. We also like its balanced position which it applies in relations with Russia, creating its own army, solving the problem to do with nuclear weapons, stationed on its territory.

Our bilateral dialogue, the guest stated, will continue and we expect to see Anatoliy Zlenko on a reciprocal visit to Netherlands.

Netherlands To Assist Ukraine

LD1106164192 Hilversum Radio Netherlands in English 1230 GMT 10 Jun 92

[Text] The Netherlands have offered to assist Ukraine in its application for membership of the International Monetary Fund. Dutch Foreign Minister Hans van den Broek has had talks on the subject in Kiev with Ukrainian President Leonid Kravchuk. Both politicians agreed they were interested in economic cooperation between the two countries. The Dutch foreign minister said Royal Dutch Airlines KLM will open a direct flight to Kiev later this year. Negotiations are currently in progress about a shipping contract between the Netherlands and Ukraine. President Kravchuk also said the Netherlands was welcome to start building a Dutch embassy in Kiev in the near future. Mr. Hans van den

Broek is spending two days in Ukraine and during his visit he will establish diplomatic relations with the former Soviet republic.

Defense Minister Meets Estonian Counterpart

OW1106215092 Moscow BALTFAX in English 1804 GMT 11 Jun 92

[Transmitted via KYODO]

[Text] On June 10, the Estonian Minister of Defense, State Minister Uno Veering met in Kiev with his Ukrainian counterpart Colonel General Konstantin Morozov.

The Estonian government press service informs that the meeting was confidential. The two ministers were addressing the issues of cooperation of their ministries.

Minister on Military Production Conversion

LD1006162992 Moscow POSTFACTUM in English 1147 GMT 10 Jun 92

[Text] Kiev—Ukrainian minister of machine-building, the military-production complex and conversion Viktor Antonov: Ukraine will be compelled to produce military equipment and weapons and trade them on the international market. According to information obtained from informed sources in the Ukrainian Council of Ministers, during his tour of the Vinnitsa region that ended on June 9, Antonov said at a meeting with managers of regional enterprises in the military-industrial sector: We will invest funds gained from this trade in military production conversion. According to Antonov, the United States is in no hurry to invest money in the conversion of the Ukrainian arms industry and the republic should not pin hopes on this.

Grachev's Threat To Defend Russians Viewed

LD1106112292 Kiev Radio Ukraine World Service in English 0000 GMT 11 Jun 92

[Station commentary]

[Text] These days Russia's Defence Minister General Pavel Grachev made the following statement. I quote: If honor and dignity of the Russian population are encroached upon in any region, I will take most decisive measures, down to dispatching troops to prevent discrimination, attacks and other acts of hooliganism in relation to the Russian population; unquote. In connection with this statement by the Russian general, here is the following commentary of Radio Kiev International:

Let's pay attention to that part of the statement, writes our observer, where the general threatens to use military force—I quote—to prevent discrimination, attacks, and other acts of hooliganism in relation to the Russian population; unquote. Let's imagine a real, everyday situation when, for example, some Ukrainian guys would give a sound thrashing to Russian guys to break them of the habit of making advances to their girls. Young people are hot-tempered and quite often they square accounts with their fists, disregarding the nationality of their offenders. Information about such a brawl may reach the General Staff of the Russian Armed Forces and who knows whether or not the generals would qualify it as an act of hooliganism in relation to the Russian population? And who knows whether or not the brave Gen. Grachev will send an armored unit to that region so as to prevent so-called discrimination of the Russian guys?

Skeptical listeners would certainly smile and say this is hardly possible, but is it possible for women, old men to capture dozens of tanks, APCs, and drive them in an unknown direction from the territory of the military units guarded by armed soldiers? Certainly no, our listener will say, and will be wrong. But this is how Moscow explained the fact when tanks and other military vehicles found their way in the hands of the Dniester region guards, although there was a version that the tanks are operated by Dniester region draftees. Later on journalists cleared (?up) that the armored vehicles were driven by the officers of the 14th Russian Army deployed in that region.

There are more questions in store: Why are there four antitank guided missile launchers in the vicinity of Dubossary? How did missiles, cannons, mortars, and APCs find their way in the hands of the Dniester region guards? I think one should not be a prophet to answer these questions. The resolution of Russia's President Boris Yeltsin on the withdrawal of the 14th Army from the territory of Moldova was made public and widely (?advertised), however, the Russian Army, with the most sophisticated armaments, remains where it had been before, deployed along the Dniester banks, although the trenches became deeper.

So, why don't they fulfill the president's resolution? The matter is that the conflict is to the advantage of Moscow as a hotbed of permanent tensions near the borders of Ukraine. Under the disguise of phraseology about the protection of the interests of the Russian population in Dniester region, Russia intends to use this region as a bridgehead to step up its influence in the area and (?support co-Russian) forces there.

It is worthwhile mentioning that on 20 March this year a declaration on the non-use of force or threat of force among the Commonwealth member-states was signed in Kiev by the presidents of Russia, Ukraine, Moldova, and seven other countries of the former USSR. The states participants pledged not to admit the use of force or threat of force, nor to supply armaments in the conflict zone. In practice, Russian tramples the obligations it took upon itself. Judging by the statements of Gen. Pavel Grachev, recently appointed defense minister of Russia, Moscow is not going to abide by the provisions of the declaration in the future as well.

Kravchuk Receives U.S. Ambassador's Credentials

LD1106145892 Kiev Radio Ukraine World Service in English 1548 GMT 9 Jun 92

[Text] Roman Popadyuk, 42, became the first extraordinary and plenipotentiary ambassador of the United States of America to Ukraine. On 9 June in the White Hall of the Mariinskyy Palats he handed over his credentials to Leonid Kravchuk, president of Ukraine. A friendly conversation took place between the president of Ukraine and the U.S. ambassador.

India, China Compete To Buy Aircraft Carrier

LD1106141492 Moscow ITAR-TASS in English 0958 GMT 11 Jun 92

[By ITAR-TASS correspondent Sergey Karmalito]

[Text] Moscow, June 11 TASS—India and China are bidding for the right to buy an aircraft-carrier which is being currently built by Ukraine, Indian news agency ASIA NEWS reports.

Both countries are attracted by a very low price which Ukraine asks for the vessel. According to unverified information, it is ready to sell the aircraft-carrier for approximately 200 million dollars, which is cheap by any standards.

The news agency notes that in addition to the aircraft-carrier, China considers purchasing equipment for patrol boats, rocket launchers, helicopters and armoured personnel carriers.

National Affairs

President Kravchuk Cited on Faltering Economy

PM1106150792 Moscow IZVESTIYA in Russian 11 Jun 92 Morning Edition p 1

[Sergey Tsikora report: "Kravchuk: 'Economy Working For Itself and Producing Nothing For People'"]

[Text] This uncomplimentary description of the current state of the Ukrainian economy was made by Ukrainian President L. Kravchuk in a speech to local representatives of the new administration.

"Some 70 percent of the economy we have inherited works for itself and produces nothing for people," he said. The main concern of the president and his local representatives today is to prepare for and carry out wide-ranging economic reform.

Kravchuk cited several things which are complicating transformations in the economic sphere. He started with a factor which he called subjective, describing it as the "inability of many cadres and administrative structures to clearly and consistently implement specific provisions of the new policy."

Another factor said to be hampering Ukrainian economic development is "inconsistency when it comes to resolving issues."

"I am convinced," Kravchuk said, "that we will be unable to rapidly and radically alter the production structure we have inherited. But if we can ensure production of consumer goods and foodstuffs, then we can guarantee domestic security for building an independent Ukraine."

Developing this idea of the new strategy, Kravchuk went on to say that in the present situation he would highlight agricultural questions. The position in this sphere of the Ukrainian economy is currently difficult. Thousands of hectares of crops, including grain crops, have been effected by hail and rain in the republic.

The situation is now being rectified. There has been rain in drought-stricken areas. According to specialist forecasts, Ukraine will harvest 38-40 million tonnes of grain this year.

"But I hope that the harvest will be a bit higher," Kravchuk noted.

He also announced that a fuel reserve is being created for the new harvest season. Some 200,000 tonnes of gasoline and 300,000 tonnes of diesel have already been stockpiled. Local leaders will have to use their initiative to get the rest.

National Bank Official Wary About Credits

AU1106114092 Kiev MOLOD UKRAYINY in Ukrainian 5 Jun 92 p 1

[Interview with Oleksandr Sharov, deputy chairman of the board of Ukraine's National Bank, by Olena Hubina; place and date not given: "Credits Are Not Always a Good Thing"]

[Text] **It is not so much a case of our own desire to leave the "ruble" area as of Russia pushing us out of it. This is how Mykola Syvulskyy, first deputy chairman of the board of Ukraine's National Bank, summed up the state of our financial relations. Our present payments crisis is not only a result of profound economic reforms on the road to the market, but is also, to a large extent, due to the lack of coordination of the policies pursued by the countries of the "ruble" zone. The Central Bank of Russia has not taken a single step to promote such coordination. Moreover, having declared itself to be a successor to the USSR, Russia has also quietly "inherited" the former Union's foreign banks and has already begun to sell some of them off.**

The republics of the former USSR see the only way out in introducing their own currency. During a meeting in Kiev, Ukraine, Byelarus, Moldova, Latvia, Estonia, and Lithuania decided to agree on a civilized course of this process. Despite the fact that they were not represented by official governmental delegations, during the meeting reporters sensed signs of a possible creation of a Black

Sea-Baltic union. As the saying goes, it is not so much through friendship as through having common adversaries.

Our questions are addressed to Oleksandr Sharov, deputy chairman of the board of Ukraine's National Bank.

[Hubina] Who, in your opinion, could introduce his own currency first—Ukraine or Russia?

[Sharov] Russia already has it, and it may be enough for it to declare that the ruble is its own currency, something that it has already repeatedly said. This is in terms of purely technical approaches, because when we introduce our own currencies, the ruble will automatically remain Russia's currency. However, if we are talking about certain measures with regard to money reform, Russia is closer to it. The Russians generally implement more radical measures in their economic reform and not only in monetary reform—for example, in changing forms of ownership and so on. They are better prepared to carry out the privatization process and have already started it. Talking about the development of commercial structures, banks, exchanges, or what may be referred to as exchanges, Russia is also ahead. All of this is a foundation for carrying out a genuine monetary reform. Russia is proceeding along the right road, but, unfortunately, it does not think about those who are behind it.

[Hubina] Is it doing the right thing?

[Sharov] Yes, from the point of view of protecting Russia's interests. From our point of view, one should not push fellow travelers into the mud when the road is so narrow. This is what Russia is doing. That is why we must, perhaps, go in parallel, but independently.

[Hubina] Russia is presently receiving $24 billion for its stabilization fund in order to strengthen the ruble....

[Sharov] To begin with, not yet. Second, not for the stabilization fund. Western countries, and, first and foremost, the United States believe that approximately $24 billion may be allocated to us. However, there is still no agreement about this, and nobody has seen this money yet. It is true, though, that there are assumptions that approximately $6 billion from this sum is needed for the ruble stabilization fund if the ruble is considered to be a common currency. If some new currencies are introduced, the West will reconsider its decision and, perhaps, Russia will receive less and ourselves—more. So far, the IMF believes that it is a priority matter to stabilize the ruble as a common currency.

[Hubina] Even now, Russian politicians declare that when Russia obtains this loan and pays the interest, with other republics also using the ruble, it will be keen on leaving the common "ruble" zone.

[Sharov] What is the size of the interest in question? If a stabilization fund is meant, then any interest is out of question. This is the fund that will remain unused. The best variant would be if this $6 billion sum is deposited and the same amount returned. If this money is utilized, it will be for currency interventions and no profit will be obtained. This money is simply assistance. The remaining $18 billion will go to financing projects and adjusting the balance of payments of the countries of the former USSR; there will be an interest, but its size is not yet known, because it is not known who is going to pay it.

[Hubina] Will it not happen that, having, after all, taken the credits, we will have to pay huge sums of money for servicing them.

[Sharov] There is much talk here about credits that we will receive; we also get proposals both from Western Europe and America to issue funded loans. However, I always ask: Who needs these credits? If we have specific projects that may earn us 20 percent annual profit, we can take credits for implementing them. If, on the other hand, we have absolutely inefficient projects—either unprofitable or earning between 5 and 10 percent profit, then is it worth our while talking about credits? Nobody will give them to us for nothing. Therefore, I want to stress that credits are not always a good thing.

[Hubina] The last question: May we hope that the assets of the former USSR will be divided?

[Sharov] I remember the concluding sentence in "The Count of Monte Christo." It seems to me that it sounds like this: "Believe and hope."

Rules for Barter Operations Streamlined

MK1106100392 Moscow MOSCOW NEWS FAX DIGEST in English 9 Jun 92

[Sergey Sadoshenko report: "Ukraine: No VAT on International Barter. The Ukrainian Parliament Streamlines Barter Operations With Other Countries Including CIS Members. Some Obstacles Remain"]

[Text] All foreign trade organizations in Ukraine can now barter any goods and services except for objects representing national, historic or cultural value, goods damaging to humans, animals and the environment, services involving the spread of ideas contravening the Ukrainian Constitution, as well as goods and services whose export or import constitutes violation of industrial or intellectual property rules.

Fees for barter deals shall be paid in the currency specified in the contract and in an amount depending on the import's intent. As a rule, the fee is 10 per cent of the overall price of goods exported. But the fee can be reduced by half if the barter operation involves the import of technology, equipment, components, spare parts, raw material and semi-finished products. No fee shall be paid by those who barter to meet the needs of their own production. If the rouble is the currency indicated in the barter contract with a CIS country, no fee shall be paid. Goods exported under barter deals are free from VAT. Rules are in force to prevent double taxation. Barter operations at dumping prices shall be banned.

The new conditions for barter operations could be called acceptable if the system of registration and payment of government fees were not so cumbersome. Those wishing to carry out a barter deal are supposed to submit to Ukraine's Ministry for Foreign Economic Relations and Trade a copy of the certificate of participation in foreign economic relations, documents identifying the origin of one's goods, a copy of the barter contract and a list of prices to accompany the latter. If the goods in question require a license, the ministry is supposed to issue it. (The list of goods that can be exported under licenses is available from MN Business). Registration takes 10 days to 20 days in most instances. State fees shall be paid within 60 days after the goods cross the Ukrainian border. Customs inform the Ukrainian Ministry for Foreign Economic Relations and Trade of the goods crossing the border. This information is then collated with the records of the barter contract, after which the documents are passed on to the State Tax Inspector. It is understandable that the state wants to get full fees from each barter deal, but knowing that bureaucrats inside the government structures wield great power, one can well suppose that bureaucrats now have an additional opportunity to influence deals with an eye to their own advantages.

Kravchuk on Importance of Nuclear Power, Saftey

OW1106200592 Moscow INTERFAX in English 1545 GMT 11 Jun 92

[Prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin and edited by Boris Grishchenko; from "Presidential Bulletin"—transmitted via KYODO]

[Text] The prospects of developing atomic energy in Ukraine were discussed in Kiev on Wednesday [10 June] at the meeting of President Leonid Kravchuk with workers of the republic's atomic energy complex.

The upshot of the speeches at the meeting was that "Ukraininan economy can't do without atomic energy - hence, the security and reliability of such power plants should be safeguarded by all means". The directors of the existing plants attending the meeting all opposed an immediate closure of the Chernobyl power plant as "fraught with negative consequences". They insisted that its operation should stop in 1993, as decided by the Ukrainian Supreme Soviet.

The Ukrainian President named as "the crucial goal" a clear-cut system of running the atomic power plants. "We ought to think how to solve the problems of the atomic energy complex in a framework wider than only Ukraine. We need an agreement in this field between all the members of the CIS", said L. Kravchuk. He finds it essential to overcome "the psychology of fear generated by the Chernobyl disaster". He called for objective, balanced, well-argued information for this purpose.

The President stressed that this industry can never be decentrallized, but should always remain under the government control. He announced that his State Duma will consider the atomic energy question early next month and prepare the basics for a presidential decree in that area.

As to the Chernobyl atomic power plant, it will be gradually closed down over 1993 in keeping with the decision of the republic's Supreme Soviet, finalized L. Kravchuk. IF [INTERFAX] note: A total of 5 atomic power plants are functioning today in the Ukraine. In the first 5 months of this year they have produced 36 bn [billion] kw/h - 108% of the planned energy output. The costs are three times lower than the Ukrainian Energy Ministry's average. Mikhail Umanets and the directors of the atomic power plants feel that the worst problems faced by their industry stem from the negative public attitude towards its further development, also from the severance of economic ties with the other CIS countries, and loss of design and building facilities to other industries. They insist on an early passage of a law on atomic energy in independent Ukraine.

Contest To Make Chernobyl Sarcophagus Safe

LD1106140792 Moscow ITAR-TASS in English 1148 GMT 11 Jun 92

[By UKRINFORM-TASS]

[Text] Kiev, June 11 TASS—The large amount of nuclear fuel and radioactive materials contained in the fourth reactor of the Chernobyl nuclear plant, which was destroyed by an explosion in 1986, the inadequate study of the dynamics of the processes occurring in it and also the limited service life of the concrete sarcophagus that entombed the ruined reactor, which was built in the emergency, create an alarming situation around the Chernobyl nuclear station.

In this regard, the Ukrainian Government has announced an international contest for a project to turn the Chernobyl sarcophagus into an ecologically safe system.

Prizes of 20,000 U.S. dollars (1), 10,000 dollars (2) and 5,000 dollars (5) were established for the winners of the contest. Those willing to take part in it should file applications to the organising committee of the contest (address: 252196, Kiev, 1, Ukrainka Square, 1, Ukraine's department responsible for cleaning up the Chernobyl disaster, telephones: 296-81-98, 296-84-98, telefax: 294-77-96, 294-82-96) within a month since this report was published.

Byelarus

Kebich's Remarks on Russian Relations Noted

OW1106181792 Moscow INTERFAX in English 1545 GMT 11 Jun 92

[Prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin and edited by Boris Grishchenko; from "Presidential Bulletin"—transmitted via KYODO]

[Text] Thursday's [11 June] papers in Minsk carry an analytical article by Prime-Minister Vyacheslav Kebich on the problems of relations between Byelarus and Russia.

In the run-up to the anniversary of Russia's independence declaration Kebich notes that "many enterprises in the two republics keep up good and mutually beneficial links". Though, as he said, "some problems remain unsolved in our relations, we can safely record our mutual gravitation. We have no occasion to trip up one another", stressed the Premier.

Further Kebich noted, "The current vogue in Byelarus is to criticize the government for following in the wake of Russia's policies - accusations from both the Left and the Right. I refute that criticism and state with full responsibility that we "pursue our full-fledged independent policy, but it would be downright foolish to flout our good relations with Russia. On the contrary, business-like and mutually useful ties with that huge country can open good prospects for dynamic development in Byelarus".

"With all my heart I wish the people of Russia to cope with their problems. Russia will yet emerge out of them like Phoenix out of ashes to become ever more beautiful and powerful", finished the Premier of Byelarus.

Turkish Firm Fires All Byelarusian Workers

PM1006105592 Moscow IZVESTIYA in Russian 9 Jun 92 Morning Edition p 1

[ANI report: "Turks Dismiss Byelarusians"]

[Text] The management of the "Enka" Turkish construction firm, which is in charge of the construction of an installation for servicemen withdrawn from Germany in the Byelarusian city of Slonim, has dismissed all workers who are Byelarusian citizens.

The reason for the dismissal was a strike by the Byelarusian workers, who were protesting the difference between the remuneration of Turkish and local workers (IZVESTIYA reported on this strike).

The Soviet of the Federation sent a letter to the republic government demanding that law enforcement organs be brought in to examine this conflict, and it proposed that forms of control be elaborated in order to ensure that the labor rights of citizens of the Republic of Byelarus are protected during the conclusion of analogous contracts between them and foreign legal entities.

German Firm To Help Build Byelarusian Bus

PM1206090692 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 0500 GMT © Jun 92

[From the "Novosti" newscast: Video report by A. Zhuk]

[Text] [Announcer] As early as this year the Minsk Truck Plant conveyor belt will produce a new item unusual for that enterprise's range—a passenger bus for city and international travel.

[Zhuk voice over video of bus in front of building] These vehicles will be the prototype for the first Byelarusian buses. The well known German firm Neoplan from Stuttgart is acting as the Minsk workers' partner. Over the next five years Byelarus will become the only producer of this model. According to Prime Minister Vyacheslav Kebich, the government guarantees full support for the joint project.

[Kebich] What is most important is, first, that former military plants will be put into operation for the first time here, primarily, and, second, perhaps I will not be wrong in saying that several dozen plants, Byelarusian plant, will be working to produce this bus.

[Zhuk] Byelarusian?

[Kebich] Yes. Byelarusian plants will work to produce this bus. From the whole area, so to speak, not only Minsk plants, but plants from all over. After all, you can see we have everything here: We have plastic, we have seats, glass, we have everything. And electronics, after all a bus will not go without electronic equipment. But you have ridden on it: You notice when you sit in the bus that it has virtually all the facilities you find on the best aircraft. [video shows interior of bus, Kebich talking]

'Party of Communists of Byelarus' Registered

PM1006124392 Moscow PRAVDA in Russian 9 Jun 92 p 2

[Oleg Stepanenko report: "Byelarus Registers..."]

[Text] The republic's Ministry of Justice has issued a registration certificate for the Party of Communists of Byelarus [PCB]. At the same time, a representative of the PCB Political Executive Committee received an official apology from the Ministry of Justice for its prior refusal to register the party. At the time the ministry's leadership was under the thumb of the populists from the Byelarusian People's Front, who were unhappy about the fact that the PCB had declared itself to be the successor to the traditions of the Belorussian Communist Party, and refused to register it.

The Communists lodged a complaint with the republic's Supreme Court. It ruled that the refusal was groundless and instructed the ministry to register the PCB.

"There are currently more than 15,000 Communists in PCB ranks," Party Cochairman Viktor Chikin said. "New members—nonparty people—have started to join. The average age of new members is 26. There are PCB organizations in all oblasts of the republic and in most rayons."

The PCB's main aim is to unite hired workers to completely liberate them from exploitation in all its forms and to build a classless society of social justice.

Moldova

Parliament Rules on Settling Dniester Conflict

OW1106174992 Moscow INTERFAX in English 1410 GMT 11 Jun 92

[Transmitted via KYODO]

[Text] The Moldovan parliament has issued a ruling today, Thursday [11 June], following a three days' debate, "On Measures to Settle the Armed Conflict in the Eastern Districts of Moldova".

The ruling prescribes an immediate ceasefire in the conflict area and setting up a joint commission of Moldovan parliamentarians and members of armed units. The commission is to work out by June 16 a mechanism for separating the warring sides. It is also to supervise disarming illegal armed units and dissolving their organisations. It is authorized to restore the legal powers of Moldova on the left bank of the Dniester and provide conditions for a return of refugees to their homes.

Parliament expects the commission to appeal to Moldova's legal authorities for free pardon to be granted to participants of the armed conflict except its instigators and culprits of the worst offences committed against the republic's people.

Disagreement emerged in Parliament over the item in the ruling on the status of the Dniester's left bank. The debate resulted in a compromise version promising "to consider a special status for the cities and areas of the left bank to be possibly granted in the course of the administrative and territorial reform safeguarding Moldova's territorial integrity".

The parliamentary ruling insists on "unconditional withdrawal from Moldova of all armaments, military hardware, and all units of Russia's 14th Army, also the Cossaks' mercenaries".

Taranu Elected Chairman of Military Commission

AU1106184992 Bucharest Radio Romania Network in Romanian 1700 GMT 11 Jun 92

[Septimiu Roman report from Chisinau]

[Excerpts] The eighth session of the parliament of the Republic of Moldova resumed its proceedings today. [passage omitted]

During the evening session, which only lasted an hour, the parliamentarians elected the chairman of the parliamentary Commission for Military Issues and State Security. Mr. Anatol Taranu was elected to that office.

Parliament will resume its session on 16 June.

Mr. Victor Puscasu, chairman of the joint conciliatory commission said in an interview that it is impossible to solve all the problems related to the settlement of the Dniester conflict just in a few days' time. [passage omitted]

Kazakhstan

Nazarbayev Backs State Fund for Economic Reform

OW1106181092 Moscow INTERFAX in English 1545 GMT 11 Jun 92

[Prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin and edited by Boris Grishchenko; from "Presidential Bulletin"—transmitted via KYODO]

[Text] According to IF [INTERFAX] sources, President Nazarbayev has backed the idea of establishing a state fund for economic reform.

Addressing the parliament, Chairman of the Committee for Economic Reform Sauk Takedzhanov emphasized the importance of this project. The economic reform does not proceed quickly enough, he said, and this fund's money should be immediately transferred to the national state bank and used as a source of financing the credit resources. If the fund collects about 100 billion roubles, given the 20 per cent interest rate this sum will increase to 500 billion roubles of credit resources, he said. The MPs [members of parliament] welcomed the idea of drafting a state fund for economic reform and passing a corresponding presidential decree.

Vice-Chairman of the Committee for Economic Reform Aitbay Konysbayev told IF that the republic badly needed small and medium enterprises for processing raw materials. Privatization goes slowly, he said and financial injections are vitally important. He also noted that the government will see that the fund be refilled.

Foreign Minister Suleymenov Holds Talks in Oslo

LD1106100892 Alma-Ata Kazakh Radio Network in Russian 1400 GMT 8 Jun 92

[Excerpts] We have already reported on the third session of the North Atlantic Cooperation Council in Oslo and the extraordinary conference on general armed forces in Europe at the foreign ministerial level. [passage omitted]

The Kazakh delegation at these forums was headed by Foreign Minister Tuleutay Suleymenov. In his addresses at the North Atlantic Cooperation Council session he stressed that our republic adheres firmly to the principles of the UN Charter and the CSCE, as well as to the aspirations to promote the strengthening of global security. As a result, Kazakhstan signed the final document of the extraordinary conference on general armed forces in Europe.

During his stay in Norway Suleymenov met that country's Foreign Minister Stoltenberg. After their talks a protocol on establishing diplomatic relations between the two states was signed. There were also conversations with Defense Minister Holst and with members of several committees of the Norwegian parliament.

While in Oslo Suleymenov had an official meeting with Bulgarian Foreign Minister Ganev. As a result the heads of the foreign policy departments of the two countries signed a protocol on the establishment of diplomatic relations between Kazakhstan and Bulgaria.

Supreme Soviet Head Meets UNESCO Officials

LD1106111492 Alma-Ata Kazakh Radio Network in Russian 0100 GMT 10 Jun 92

[Text] In connection with the UNESCO seminar on promoting the development of independent and pluralist mass media, which is due to take place this autumn in Alma-Ata, a UNESCO delegation is here at the moment. The delegation is led by Director of Communications (Senyk).

The guests were received yesterday by Supreme Soviet Chairman Abdildin. They were informed that parliament has adopted acts of legislation ensuring the free functioning of non-state controlled mass media.

(Senyk) reported on the aims and tasks of the coming seminar. In particular it was said that in countries which have only recently embarked on the path of democracy efforts to set up free mass media need the support that UNESCO gives. It is expected that representatives of most Asian states will take part in the seminar, including the republics of the former USSR.

During the conversation matters concerning support from parliament for holding the seminar and Kazakhstan's participation in other UNESCO programs were examined.

Creation of Supreme Soviet Defense Panel Urged

PM1006164192 Moscow KRASNAYA ZVEZDA in Russian 6 Jun 92 p 1

[Colonel A. Ladin report under the "Direct Line" rubric: "A Rule-of-Law Base Is Needed To Establish an Army. Deputies Propose Setting Up Republic Supreme Soviet Committee for Defense and Security Affairs"]

[Text] Alma-Ata—Retired Major General and Deputy Bagadurbek Baytasov has put forward an initiative to establish a Kazakhstan Supreme Soviet Committee for Defense and Security Affairs. He believes that parliament is not handling problems of a military nature with sufficient depth at the present time. The defense structure that has been initiated in Kazakhstan has not yet been underpinned by the necessary rule-of-law base.

Talking with your KRASNAYA ZVEZDA correspondent, Deputy Baytasov stressed that his republic is not rich enough to allow excessive budget funds to be allocated to military needs or to be spent on the Defense Ministry, the KGB, and the Ministry of Internal Affairs in an uncontrolled manner, as was the case in the former Union. Parliament through its Committee for Defense and Security Affairs should exercise substantial control over the use of the people's funds, including funds to be spent on defense.

Lieutenant Colonel Shaviden Bashenov, deputy chairman of the Supreme Soviet Committee on the Environment and the Rational Use of Natural Resources, announced that the issue of establishing a Committee for Defense and Security Affairs had been discussed in the Supreme Soviet Presidium. It is possible that this parliamentary organ will be formed at the eighth session, which is already in progress. The deputy believes that because a Kazakhstan Ministry of Defense has been set up, the need to formulate a military doctrine has arisen. Work on this is under way, only not in the Supreme Soviet. Bashenov believes that the preparation of fundamental laws concerning defense and national security cannot be entrusted to the executive organs alone. They should be the fruit of the collective efforts of a wide circle of specialists and public opinion and, of course, deputies of the republic's parliament.

Ministry Refuses To Register Revived CP

PM1006124592 Moscow PRAVDA in Russian 9 Jun 92 p 2

[Feliks Belelyubskiy report: "Kazakhstan Drags Feet..."]

[Text] It is already six months since the Kazakh Communists' 19th congress, which announced the recreation of the Communist Party [CP] (it was renamed the Socialist Party at the 18th congress). Now there is the question of registration.

But the Kazakh Ministry of Justice has rejected a request to register the party. Its objections were prompted by a number of provisions in the party's program documents and the use of old party cards.

A joint plenum of the Kazakh Communist Party Central Committee and Central Control Commission has examined these objections and made amendments to the documents. The ball is now in the Justice Ministry's court.

Party Demands Release of Detained Members

OW0906214892 Moscow INTERFAX in English 1907 GMT 9 Jun 92

[Transmitted via KYODO]

[Text] 60 members of the unregistered national democratic party "Zheltoksan" began a hunger strike Tuesday [9 June] to protest the arrest of three party members who participated in the dismantling of a statue of the founder of the KGB Dzherzhinskiy in Alma-Ata May 9. The protest is being held outside the Parliament building.

In an interview with "IF" [INTERFAX] party leader Khasen Kozhakhmetov said that he sent an address to the Parliament demanding that the three be released. Otherwise the "Zheltoksan" party will create "a Dushanbe scenario". He is referring to the Tajik opposition which is seeking the rearrangement of the government.

The Alma-Ata Public Prosecutor Aleksey Asarov told "IF" that if the hunger strike turns into a demonstration and draws a large crowd the protest will be banned.

'No Confidence' in CIS Space Structures Noted

PM0906133892 Moscow IZVESTIYA in Russian 6 Jun 92 Morning Edition p 1

[NEGA report: "'Energiya-Buran' Complex Installations Are Being Robbed"]

[Text] President Nazarbayev was informed of this by some officers at the Baykonur cosmodrome.

Some 50 officers sent a message to the presidents of Kazakhstan and Russia expressing no confidence in "the entire CIS space structure: the leadership of the Baykonur space facilities, the organs of law and order, and the military trade."

Aktyubinsk Oilmen Achieve Labor Successes

LD1006091392 Alma-Ata Kazakh Radio Network in Russian 0600 GMT 9 Jun 92

[Text] Aktyubinsk oilmen worked well in the first five months of the year, extracting over 2,000 tonnes of oil and more than 2 million cubic meters of gas above plan. New wells were handed over at the Zhanazhol deposit. Above plan profit was in excess of 50 million rubles, over half of which has been channelled into building housing, social, and cultural amenities in the settlement of Tentyak. The Aktyubinsk oil association has dispatched 45,000 tonnes of fuel to a Japanese firm for which they will receive a special consignment of Japanese pipes.

Karaganda Miners Return To Work After Strike

PM1106131992 Moscow IZVESTIYA in Russian 9 Jun 92 Morning Edition p 2

[Oleg Stefashin report: "Miners Return to Mines"]

[Text] Karaganda—All mines in the Karaganda coal basin have resumed work after a 32-day strike.

Holding a nighttime protest march 4 June, the miners clearly intimated that if the government refused to fulfill their demands they were ready to proceed to more decisive action. P. Shumkin, one of the leaders of the independent miners trade union, declared that the miners intended to get the entire city to go on strike and to subject the oblast administration building to a lengthy siege. But things did not go that far.

The turning point in the strike was the urgent arrival in Karaganda of M. Nurtazin, chairman of a republic parliamentary commission, who until recently was one of the leaders of the miners' movement. In addition to some documents which had already been prepared, he brought quite convincing evidence that the government will in the very near future fulfill all the terms of the

accords reached earlier—in particular, it will let collectives have ownership of 15 percent of the coal they extract.

Kyrgyzstan

Akayev Wants Better Government Performance

OW1006181992 Moscow INTERFAX in English 1637 GMT 10 Jun 92

[Prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin and edited by Boris Grishchenko; from "Presidential Bulletin" No. 91—transmitted via KYODO]

[Text] Kyrgyz leader Askar Akayev in a speech at the cabinet meeting on Tuesday [9 June] expressed his dissatisfaction over cabinet performance charging it with inefficiency and lack of energy. In his view, the ministers "have allowed themselves to drift with the current and done little for economic recovery". Most of the cabinet members, he said, are under an illusion that the recovery will come by itself.

President Akayev likened the government's work with that of a firefighting team adding that the new cabinet had so far failed to produce a single proposal looking a few steps ahead.

And he called on the ministers for vigorous effort and change of mental attitudes to work as well as for responsibility and civil duty. If not, he said, no recovery plan will be able to help. At the same time, the president voiced concern over what he described as an inevitable worsening of the economic situation in the next two or three months. He said he'd felt that the worst was yet to come after a conversation with president Yeltsin the day before Kyrghyzstan and Russia signed a bilateral agreement.

The cabinet approved the economics and finance ministry's economic recovery plan to stabilise the production and set conditions for growth, speed up privatisation, increase the role of market structures, and lessen government regulation of the economy.

Market development measures include a review of the existing practice of imports and exports of goods, capital and services, the withdrawal of licensing, and producer monopoly. They also provide for rectifying the flaws in trade commercialisation, an early bankrputcy decree, and the closure of nearly 200 state factories on the grounds of loss-making.

By the end of the year, privatisation will cover 40% of the state-run economy, 100% of services, housing and retail trade, 30% of the farming sector, up to 50% of unfinished contruction and nearly 30% of utilities. Plans are under way to introduce private education and health services, with specific attention drawn to defining the strategy and programme of conversion of defence-related industries and a review of the transport privatisation scheme until August.

By the middle of next year, Kyrghyzstan is expected to abolish the system of state orders, and to amend its land legislation with an aim of introducing private ownership, inheritance and the sale or acquisition of the land. There are also measures for greater incentive to private farmers and the reduction of agricultural subsidies.

There will be some changes in the republic's taxation, monetary and crediting policies, but Kyrghyzstan will remain in the rouble area and uphold the principles laid down in government-to-government agreements between the rouble area states.

As part of its foreign trade policy, Kyrghyzstan is to lift all trade restrictions and review the existing legislation on foreign trade. IF [INTERFAX] note: The government-approved recovery plan is to undergo further amendment before being brought at the next session of the local parliament.

Chyngyshev on Importance of Russian Ties

OW1106181592 Moscow INTERFAX in English 1545 GMT 11 Jun 92

[Prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin and edited by Boris Grishchenko; from "Presidential Bulletin"—transmitted via KYODO]

[Text] The Treaty of Friendship, Cooperation and Mutual Assistance signed on June 10 by Kyrgyzstan and Russia has a strong economic bias, said Kyrgyz Prime Minister Tursunbek Chyngyshev. This is explained by the fact that both countries are willing to do everything they can to overcome the economic crisis, he said.

Economic consolidation does not mean, however, that bilateral economic dealings will be limited to an increase in mutual supplies. True, Kyrgyzstan will increase its supplies of wool, cotton, tobacco and other raw materials to Russia. However, the most important thing is that the two countries should become aware of the need to fulfil the assumed commitments, or else the best plans will remain on paper.

He said that Russia did not observe the schedule of fuel and energy supplies to Kyrgyzstan. "Is there any sense in entering new figures in this document?" he exclaimed. It would be much wiser to conclude specific and verifiable agreements on cooperation in the basic economic branches on the basis of the political provisions of the treaty. Only this way will the treaty signed in Moscow start working.

Chyngyshev stressed that Kyrgyzstan needed Russia's assistance in training personnel. The Kyrgyz government will have to persuade some of the ultra-patriots that without the Russian higher school, and without the Russian language the political and economic development of independent Kyrgyzstan will slow down. He confirmed the Kyrgyz Cabinet's plans to stay in the rouble zone and to strengthen the rouble.

Government Decides To Review Economic Program

LD1106104292 Moscow Mayak Radio Network in Russian 1700 GMT 9 Jun 92

[Text] A meeting of the Government of Kyrgyzstan today came to the conclusion that the republic had been unable to make full use of its possibilities to achieve stability and its economy is continuing to deteriorate. Therefore, it was decided to review the economic program.

The rules for the import and export of goods will be altered. All unnecessary barriers on this path will be removed and work will begin on drawing up an export-import balance. Incentives will be given over a period of two years for the development of peasant farms. For this purpose stable tax rates will be preserved.

Office for Combating Organized Crime Disbanded

PM1106081492 Moscow IZVESTIYA in Russian 10 Jun 92 Morning Edition p 2

[Aleksandr Ryabushkin report: "Have They Really Put an End to the Mafia in Kyrgyzstan?"]

[Text] Bishkek—In the republic's National Security Committee, the large department for combating organized crime has been disbanded.

The local news agency YEVRAZIYA issued a sensational statement on this matter by the department's leader M. Gritsenko, who was relieved of his duties in Kyrgyzstan but promptly offered a similar job in Ukraine.

According to his statement, the committee is fulfilling someone's social imperative and getting rid of unsuitable staffers. The department has recently disentangled a number of major cases involving machinations by cooperatives, corruption within the KGB's own walls, the mysterious misappropriation of 700,000 German marks to the "Kyrgyzstan" bank... Gritsenko claims that since January this year dozens of people have been dismissed from the committee on various grounds. As a rule those dismissed are young, energetic professionals.

Satellite Station Aids Turkish TV Expansion

PM1206113592 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1700 GMT 8 Jun 92

[From the "Novosti" newscast: Video report by V. Fedorov and I. Karelin from Bishkek]

[Text] [Announcer] Kyrgyzstan has joined the Central Asian countries which broadcast Turkish Television. Judging by first reactions from other republics, the programs are good. Apart from that, viewers are pleased about the geographical pluralism, so to speak. Furthermore, the orientation toward information coming in from elsewhere in addition to Moscow serves as indirect proof of the new countries' independence, indirect but striking proof.

[Fedorov over video of satellite communications ground station] The technical problems have been resolved with the installation of a satellite communications ground station. Now questions pertaining to the timing of the Turkish broadcasts are being finalized.

[Fedorov turning to local official] Could Turkey force out Russia?

[Unidentified official] It could happen.

[Fedorov] While Iran and the Arabic countries are trying to consolidate their positions via the mosques, the Turks are unstinting when it comes to expanding their TV presence. Local operators have been presented with two sets of camera equipment. The Turkish side let it be known that by exemplary behavior, the Bishkek studio could earn even more extensive reequipment.

The republic simply cannot find the 6 million rubles needed to commission a new studio. It can be assumed that for Ankara this is a much smaller problem than for Moscow. And that's despite the fact that there are only 35,000 Turks in Kyrgyzstan against 1 million Russians.

Voice of America and Radio Free Europe are also prepared to buy five hours of Kyrgyz news and ideology air time. [video shows ground station exterior and interior, interview]

Tajikistan

President To Increase Disaster Area Assistance

OW1006184392 Moscow INTERFAX in English 1637 GMT 10 Jun 92

[Transmitted via KYODO]

[Text] The Tajik President addressed the chairman of the Dushanbe city council Mirzotimur Mirzoev. In particular, the telegram cites: "We were deeply worried on receiving information about natural disaster which occurred in Oktyabr and Zheleznodorozhnyy regions of Dushanbe and caused human casualties. I express my condolences to the families and relatives of the victims. The Tajik Cabinet of Ministers has received instructions to undertake urgent measures aimed at the liquidation of the consequences of this natural disaster and rendering one time material assistance to the families of the victims. The Cabinet of Ministers immediately took this instructions into consideration and ordered to allocate 500 thousand roubles from the fund established for the liquidation of emergency situations in Tajikistan for rendering one time material assistance to the population of Dushanbe who has suffered in the result of heavy rains and mud flows.

The Dushanbe city council together with the regional executive council is to distribute the allocated funds among the families which have no home and property. The relatives will receive 3 thousand roubles for every dead member of the family. The stock-commercial bank "Tajikbankbusiness" is to urgently transfer the funds to the account of the Dushanbe city council. Simultaneously a headquarters for the liquidation of the natural disasters' consequences is formed under the local body which includes the leaders of all municipal services".

IF [INTERFAX] note: This headquarters reported that 4 people died in the result of this disaster, the volume of damage constitutes 85 million roubles. 401 buildings were damaged and 111 were completely destroyed.

Date of Nabiyev's Iran Visit Not Announced

OW1006164792 Moscow INTERFAX in English 1328 GMT 10 Jun 92

[Transmitted via KYODO]

[Text] A delegation of Tajikistan which took part in the events commemorating the 3rd anniversary of the death of Ayatollah Khomeyni, the leader of the Islamic Revolution in Iran, has returned to Dyushambe.

During its stay in Iran Tajikistan's Minister for Economy and Finances Ismail Davlatov met with the Iranian president and handed him a message from Rakhmon Nabiyev, which expressed gratitude to Iran for understanding and attention to the problems facing independent Tajikistan and emphasized the Tajik leaders' wish to broaden bilateral relations.

During the visit the two sides specified the programme for the Tajik president's forthcoming visit to Iran. The date of the visit has not been announced yet.

Tajik-Afghan Border Reportedly Remains Quiet

OW1106155692 Moscow INTERFAX in English 1411 GMT 11 Jun 92

[Transmitted via KYODO]

[Text] According to Deputy-Commander of the Central Asian border-guard operational group Lieutenant Colonel Romas Jankuauskas, no attempts have lately been made to invade the area all along the border with Afghanistan. He denied reports on a recent shoot-out involving scores of servicemen with some people killed as a result of an invasion by an armed band over the border.

The border-guard officer also mentioned an agreement reached in talks with Afghan field commanders from the groupings of Basir, Nadjimuddin, Qadi Sarvara, Khayatullo, Abdulavakil Bashir, and Latif to observe the border treaty concluded between Afghanistan and the former USSR in 1958.

Parliament Denies Giving Arms to Nabiyev Backers

OW1206121192 Moscow INTERFAX in English 1136 GMT 12 Jun 92

[Transmitted via KYODO]

[Text] The Presidium of the Tajik Parliament refutes the accusation of providing Nabiyev's supporters with weapons during the confrontation in May. These accusations were put forward by the former chairman of the republican defense committee General Farukh Niyazov. He says that the Supreme Soviet or its presidium gave the permission on distribution the weapons among the population in Ozodi Square in order to form so called presidential guard.

During the May confrontation in Tajikistan the opposition supporters stood for dismissal of Safarali Kenjayev from the post of the chairman of the republican parliament and for implementation of more radical reforms.

The former guardians of the president, who did not lay down the arms, took under their control the situation in Kulyabski province and terrorized the opposition supporters belonging mainly to the Islamic party of resurrection by capturing hostages, shooting down at places, exiling from houses.

Continuing Violence Prompts Flow of Migrants

PM1106143592 Moscow KOMSOMOLSKAYA PRAVDA in Russian 11 Jun 92 p 2

[Correspondent U. Babakhanov report: "Tajikistan: Some Are Shooting, Others Are Quitting"]

[Text] The "political shakedown" using firearms is continuing in Tajikistan: Over the past three days in Kulyab Oblast alone more than 20 people have been killed as a result of armed clashes. Things are uneasy in Kurgan-Tyube and Garm, and there is shooting at night in Dushanbe.

Today many people in the republic are skeptical about the prospects for an early peaceful settlement of the conflict between supporters and opponents of the opposition. As a result there has been a new wave of migration from Tajikistan.

According to data from the State Committee for Statistics, about 7,000 people left the republic during the first three months of this year. Of these, 4,000 were Russians. There is no information on the second quarter at the moment. But today it is already clear that following the excesses in the squares of Dushanbe during April and May, the exit curve has climbed sharply. Moreover, it is significant that it is not just Russian-speakers who are leaving the republic. Fearing new "revolutions," Uzbeks and even the Tajiks themselves are packing their bags. According to data in the republic's press, of the 1,300 families who have fled the "hot" Vakhsh valley since the beginning of May, 624 are Uzbek and 260 are Tajik...

The draft of the new constitution of the sovereign Tajik state, which was published recently for nationwide discussion, has added fuel to the flames of mutual mistrust. Representatives of national minorities, having familiarized themselves with it, stated: They want to make us second-class citizens. And their decision to leave has been strengthened. However, it is not so easy to leave Tajikistan nowadays. The main problem is the acute shortage of containers. In order to obtain a sought-after crate, people wait in line for months on end or pay crazy amounts of money to speculators. Recently this speculation has intensified even more. A rumor went around that the price of containers was rising to 30,000-40,000 a piece. Then there is the growing demand in the pages of the republic's press for a ban on the sale of apartments by those who are leaving; the newspapers are saying that they should hand over their apartments to the state and then go off wherever they want, ungrateful lot that they are...

20,000 Ethnic Russians Emigrated in May

OW0906141092 Moscow INTERFAX in English 1333 GMT 9 Jun 92

[Transmitted via KYODO]

[Text] In May, 20,000 Russians emigrated from Tajikistan, Vice-Chairman of the Migration society informed IF [INTERFAX]. He said that his society was accommodating the emigrants in the Kaliningrad, Kaluga, Voronezh and Yaroslavl regions, in accordance with the agreements reached with the local administrations. He also said that intensive construction of housing and the necessary infrastructure is underway in those regions.

Yuriy Ognev complained, however, that many of his society's efforts are being ignored by the local authorities.

He said that the migration society is seeking the Tajik government's assistance in setting up migration centers for the citizens leaving Tajikistan.

The Tajik government is still to respond.

Turkmenistan

Officials on Military Treaty With Russia

OW1106200992 Moscow INTERFAX in English 1545 GMT 11 Jun 92

[Prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin and edited by Boris Grishchenko; from "Presidential Bulletin"—transmitted via KYODO]

[Text] The Turkmen officials believe that Russia has strengthened its southern defence lines by signing a protocol on joint armed forces with Turkmenistan. Such a conclusion was made by members of the Turkmen Presidential Council who informed IF [INTERFAX] of the results of the Russian and Turkmen military delegations' talks in Ashkhabad.

Member of the Presidential Council, Vice-Premier Nazar Suyunov said that the creation of the Turkmen national armed forces under joint command allows Russia, first, to keep its troops in Turkmenistan without changing its strength, giving them a new legal status and, second, not to build its defence lines in the south of the Urals.

Referring to Niyazov's statement to the effect that "real unification of the republics will occur later and on a different basis", Suyunov said that during the talks Turkmenistan proposed a model of such a basis—national armed forces under joint command. This example, I'm sure, will be followed by other republics—Kazakhstan and Uzbekistan, he said.

In Moscow, during the first round of talks, Turkmenistan proposed granting the troops located in its territory the status of joint troops of Turkmenistan and the Russian Federation. In Ashghabad this proposals was developed.

Member of the Presidential Council Valeriy Otchertsov noted in this connection that in principle Russian military experts welcome this proposal. However, taking into account individual legal aspects, Pavel Grachev and President Niyazov agreed to divide the units located in Turkmenistan into Turkmen and Russian, and create a legal regime that would equally protect servicemen belonging to both of them.

Otchertsov said that the national armed forces of Turkmenistan, under joint command, will be based on two formations—the Kushkin and the Kizil-Arvat divisions and other units. Otchertsov did not give the exact number of units, saying that there are many of them. As the list of these units will be coordinated, the two sides will decide which of them will be attached to the national armed forces under joint command and which of them will be disbanded as redundant.

The members of the Presidential Council believe that joint command will help avoid taking decisions without consulting the Turkmen defence ministry. On the other hand, taking into account the concept of mutual defence in the event of external aggression, envisaged in the treaty of friendship and cooperation between Russia and Turkmenistan, both countries acquire guarantees that neither of them will find itself involved in the conflict, because the armed forces under joint command cannot be put into operation without the Russian defence ministry's consent.

The antiaircraft and air forces will be definitely organic to the Russian armed forces. This will help save the long-established antiaircraft system and ease its technical maintenance.

In any case, the antiaircraft and air forces units will be under Turkmenistan's control. Otchertsov said that these units' movement, maneuvers and exercises will be necessarily coordinated with the Turkmen government. Otchertsov believes that although prompt decisions are taken in this area, the Turkmen government will be

informed of them. However, the responsibility for taking them will entirely rest with Russia.

We discussed the possibility of putting the troops under Turkmen jurisdiction, said Otchertsov. However, in view of the fact that Turkmenistan's population is smaller than that of the neighboring states, we have decided that we cannot afford maintaining an army guaranteeing the defence of the republic's sovereignty.

IF note: The induction and training of personnel for the armed forces will be done jointly. The Russian citizens' service in these forces will be registered as service in the armed forces of the Russian Federation. Servicemen will take the oath of allegiance to the state they come from. The rotation term for officers will be reduced from 10 to 5 years. Upon the termination of their service, Russian citizens staying in Turkmenistan will be free to choose between Russian and Turkmen citizenship. Pensions will be provided to them by the state of which they are citizens.

Otchertsov said that Turkmenistan's share in financing the joint armed forces will amount to about 5 billion roubles annually, in prices as of June 1, 1992; the land rent will consume 4.527 billion of this sum and the rest will go to communal services. He argues that if Russia kept its own armed forces in Turkmenistan, the cost of maintaining them would be immeasurably higher—about 900 billion roubles a year (869 billion roubles—land rent, 253 million—gas, 223 million—electricity, 935 million—water and 6 billion roubles—rent for premises).

Otchertsov did not say how strong the armed forces under joint command will be. According to sources in the government, they will be 42,000 men strong.

On the basis of the protocol signed in Ashghabad, an inter-governmental agreement is being drafted which will be included in the package of documents on friendship and cooperation between Russia and Turkmenistan. The treaty itself is expected to be signed during the meeting between Niyazov and Yeltsin, scheduled for the middle of July.

Otchertsov said that the two countries' military experts will continue their work at the beginning of July.

Armenia

Parliament Decides To Privatize State Property

NC1106202992 Yerevan Armenia's Radio First Program Network in Armenian 1650 GMT 11 June 92

[Report by Garine Yelanozyan from the extraordinary session of the Armenian Supreme Soviet in Yerevan on 11 June—recorded]

[Excerpts] [Yelanozyan] Today the parliament endorsed at its first reading a law on the privatization and denationalization of state enterprises and unfinished buildings. [passage omitted]

Supreme Soviet Chairman Babken Ararktsyan summed up the views expressed during the debate:

[Ararktsyan] Esteemed deputies and guests, I want to express my views about the debate held here over the last two days. First, this law, which appears to be purely an economic law, is in fact, in my view, a political law. This is an important law which would lay the foundation for new market relations in our republic [words indistinct]. I agree with some of the speakers, who warned that this law might have very serious consequences and could upset the people. I can even say that this law could undermine the authority of the administration and reach [words indistinct] dimensions. But the international experience and our specialists indicate that there is no other way out. [words indistinct] Social dissatisfaction might emerge, but we have no other alternative, as displayed by the international practices explained to you here by the representatives of the specialized commissions and by the government.

Every nation is moving towards privatization [words indistinct] Yes, we are taking a risk by resorting to this step. We could only hope that this risk is justified. [passage omitted] I again repeat that the parliament must assume its share of the responsibility [words indistinct]. The two-day discussion in fact produced such an atmosphere. As though our parliament has undergone transformation in this last two days [words indistinct]. Having grasped the seriousness of the problem, all the parties and the parliamentary groups refrained from displaying a politicized attitude and exhibited a purely specialized and responsible stance. The commissions and the government also exhibited a similar attitude. [passage omitted] This reveals that our parliament is in a position to examine the most serious problems and adopt serious decisions.

[Yelanozyan] The time came for voting. At the joint suggestion of the government and commissions, the parliament endorsed the draft at first reading, with the exception of Articles 8 [words indistinct], and 26, which refers to state bonds, the jurisdictions of the republican commission on privatization and denationalization, and the [word indistinct] funds.

After adopting the bill with 144 votes, the parliament voted to examine a number of other amendments. [words indistinct]

The chairman then proposed the discussion of the second and last point on the agenda of the extraordinary session: The privatization of residential apartments. [passage omitted] The debate on the issue will continue during the next three-day session, which will begin on 15 June.

Government Signs UN Mission Memorandum

LD1206052392 Moscow Mayak Radio Network in Russian 0200 GMT 12 Jun 92

[Text] The Armenian Government and the United Nations signed a memorandum on mutual understanding in Yerevan. The United Nations will soon open a mission in Yerevan. Provisional agreement on this was reached as a result of meetings between Armenian officials and a UN delegation visiting the republic.

Adviser Rejects Former Karabakh Status Quo

OW1106180892 Moscow INTERFAX in English 1545 GMT 11 Jun 92

[Prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin and edited by Boris Grishchenko; from "Presidential Bulletin"—transmitted via KYODO]

[Text] The Armenian President's adviser on political analysis Jirair Liparityan, recently back from the CSCE meeting in Rome on a Karabakh settlement has told IF [INTERFAX] he finds it impossible and unfair to restore the former status quo in Karabakh. He argues that a return to the situation prior to seizure by Armenian units of Shusha and Lachin would amount to reviving those strongholds as springboards of aggression against the Karabakh people and result in a blockade of Armenia.

At the meeting in Rome held June 1-5, says Liparityan, no one, except Turkey and Azerbaijan, called for an immediate restoration of status quo because "all see that Azerbaijan used Lachin for an unlawful blockade, while Shusha was a fire emplacement to bombard Stepanakert".

The adviser reiterated Armenia's idea that CSCE observers be sent to Armenia's areas adjacent with Nakhichevan. He welcomed "any peace initiative for settling the Armenian-Azeri confrontation", but stressed that "observers on the border between Armenia and Nakhichevan would be useful only in a complex with other measures - sending more observers between Azerbaijan and Nagorno-Karabakh".

Liparityan explained the decision on those observers had been suspended at the request of the Armenian delegation. Since three of the four clauses of the draft resolution pertained on Nagorno-Karabakh, "it could be only passed in the presence and with the assent of the Karabakh authorities". The Presidential adviser emphasized that the Rome meeting obliged Turkey and Azerbaijan to attend the meeting appointed in Minsk for June 23.

Another requirement was for Armenia to bring to Minsk representatives of Nagorno-Karabakh. Some sanctions were considered, added Liparityan, against the Karabakh authorities in case of their refusal to take part in the Minsk meeting.

Azerbaijani Minister Notes 'Panic' in Army

NC1106171592 Yerevan Armenia's Radio First Program Network in Armenian 1200 GMT 11 Jun 92

[Text] Baku radio during its program yesterday morning aired a statement by Azerbaijan Defense Minister Ragim Gaziyev. The minister noted that panic is gripping the Azerbaijani Army. It is difficult to set up military formations and desertions are continuing. Therefore, Lenkoran Regiment has abandoned the positions at Amiranlar, and Gyandzha Regiment has withdrawn from Agdam.

Azerbaijani Use of 'Poisonous Materials' Noted

NC1106175492 Yerevan ARMENPRES International Service in Armenian 1215 GMT 11 Jun 92

[Text] Yerevan, 11 Jun (ARMENPRES)—It was not in vain that the Azerbaijani mass media was leveling unfounded accusations against Armenia before the entire world for using poisonous materials during the shelling of Azerbaijani settlements. The reason behind such allegations is obvious: Azerbaijan itself harbored the intention to use poisonous materials. Doctors who arrived in Nagorno-Karabakh from Yerevan now have confirmed this. A sample of the material which is causing fever and festering wounds, has been taken to Yerevan for examination.

Yerevan Radio Reports Fighting, Border Situation

NC1106184292 Yerevan Radio Yerevan in Azeri 1330 GMT 11 Jun 92

[Text] Dear listeners, we now present a report on the latest developments in the Nagorno-Karabakh Republic [NKR] and the border region between Armenia and Azerbaijan:

The number of military operations in the NKR and the border region between Armenia and Azerbaijan has increased and become more widespread during the past few days. International commentators and politicians have linked this development with the holding of presidential elections in Azerbaijan and the coming to power of new leaders in that republic. Azerbaijan Popular Front leader Ebulfez Elchibey, in a statement he made on the eve of the presidential elections, said in part that relations between Azerbaijan and Armenia and the Nagorno-Karabakh problem must be resolved through negotiations within the framework of international organizations.

As in the case of the former leaders in the neighboring republic, however, the new leaders in Azerbaijan are making an effort to resolve the Nagorno-Karabakh problem through the use of force. This is confirmed by the continuing military operations, which are gradually becoming more and more dangerous. A large number of people have been killed and significant damage has been caused by these operations up to now.

The outcome of the talks held within the framework of international organizations, particularly the CSCE, has been very insignificant thus far. Meanwhile, the clashes are continuing unabated in the disputed zone.

The entire length of the NKR border was fired on during 9-10 June. The Azerbaijan National Army is expected to launch a wide-scale attack on residential areas in the Martuninskiy, Shaumyanovskiy, and Mardakertskiy Rayons in Artsakh [Nagorno-Karabakh]. The situation in Martuninskiy Rayon became extremely tense during the past three days. More than 300 shells were fired on the residential areas in the rayon's border region from 2100 on 9 June until 0600 the next day.

Mardakertskiy Rayon is being intensively shelled. Abdyr and (Molishen) towns in Agdamskiy Rayon have been intensively shelled from the positions in Dzhulably and Abdal towns in the same rayon. Two peaceful residents have been wounded and several houses and other buildings have either been damaged or almost destroyed. The Armenian self-defense units have been compelled to return the fire in order to ward off the criminal activities and silence the enemy firing positions.

Martuni city was fired on from the positions held by the Azerbaijan Armed Forces in Amiranlar at 2300 on the same day. A city resident was wounded. Meanwhile, an attack was launched on the positions held by the self-defense units in Martuni city by the Azerbaijan Armed Forces from their military positions in Moganly. The city's defenders repulsed the enemy attack. The enemy units were forced to retreat after losing several of their military vehicles and suffering casualties. Two Armenian men were wounded.

The mass media in Azerbaijan have reported that the self-defense forces in the NKR have fired on Agdamskiy, Fizulinskiy, and Terterskiy Rayons, including other residential areas. But these are not objective reports, because they all hold the Armenian side responsible. The incidents are caused by the Azerbaijani attacks and bombardments. In other words, the first moves are made by the neighboring republic. Consequently, the Armenian side is forced to return the fire in order to maintain the security of the people and safeguard Nagorno-Karabakh's territorial integrity.

The firing, attacks, and raids from the territory of Fizulinskiy Rayon are systematically maintained. The border defense units in Machkalashen town have been systematically fired on from Divanlar and Gadzhar towns with tracked vehicles, tanks, and machine guns. An Armenian freedom fighter has been wounded.

Chayly, Maraga, Karmiravan, and Talish towns were shelled with artillery guns at 0900 on 9 June. Innumerable shells and missiles were fired on these residential

areas. The Armenian side returned the fire. Several people have been killed or wounded. Several houses and other buildings were destroyed. We have no information on the number of Azerbaijani casualties.

The situation in Armenia's rayons which border Azerbaijan, that is to say the rayons in the northeastern part of the border in particular, has been significantly strained during the past few days.

The border towns in Noyemberyanskiy, Idzhevanskiy, and Tavushskiy Rayons have been fired on from Kazakhskiy and Tavuzskiy Rayons with various types of arms. Attacks and raids are also organized on the border towns. The residential areas in the three rayons were shelled with heavy artillery guns on the night of 9-10 June. Thirteen towns in Armenia's Tavushskiy Rayon, including Berd, the rayon center, were shelled from Tavuzskiy Rayon. Nine peaceful residents were wounded as a result of the attack. The Azerbaijanis took six hostages. Several buildings were destroyed.

The (Sarydzhokh), Kayanapan, Azatamut, Aygehovid, and Berdaper border towns in Idzhevanskiy Rayon also were intensively fired on. Initial reports said that six people were killed and several others were wounded. Artillery guns, tanks, and Grad launchers were widely used in the attacks. MI-24 military helicopters fired rockets on Berdaper town on 9 June. The enemy also fired on the town with large-caliber machine guns. Meanwhile, the border defense units in Noyemberyanskiy Rayon returned the fire and destroyed a firing position in Tauzskiy Rayon. The enemy suffered casualties.

According to the information at hand, the situation in Vardenisskiy, Krasnoselskiy, and Zangezurskiy Rayons and the border region between Armenia and Nakhichevan Autonomous Republic was relatively calm until 1900 on 10 June. Armed units and armored vehicles have been observed to assemble in Kel'badzharskiy, Kedabekskiy, and other rayons in Azerbaijan.

These developments indicate once again that the Azerbaijani side has not abandoned its intention to draw our republic into a wide-scale war. Otherwise, our neighbors would have agreed to cease firing on our border rayons and towns, end their raids, and hold talks on the dispute.

Azerbaijan

Minister Interviewed on Nagorno-Karabakh

MK1106123992 Moscow NEZAVISIMAYA GAZETA in Russian 11 Jun 92 p 3

[Interview with Azerbaijan Foreign Minister Tofik Gasymov by Vladimir Abarinov in Oslo carried under the "Nagorno-Karabakh" rubric; date not given: "'It Is Not a Struggle for Ethnic Rights in Karabakh But Very Real Aggression.' In the Corridors of the North Atlantic Cooperation Council in Oslo NEZAVISIMAYA GAZETA's Special Correspondent Meets With Foreign Minister Tofik Gasymov, Head of the Azerbaijan Delegation"]

[Excerpt] [Passage omitted] I spoke with Azerbaijani Foreign Minister Gasymov immediately after the session ended. He was not entirely satisfied with its results but nevertheless believes that the West's level of information about the true state of affairs is increasing, which is partially due to meetings like this one.

[Abarinov] Minister, in your opinion, are European structures capable of significantly influencing the solution of the Karabakh problem?

[Gasymov] It seems to me that it is precisely within the CSCE framework that this conflict could be resolved. Given the fundamental international legal principles of that organization and sufficient will and activeness, the CSCE could resolve this problem. I believe that a situation has now developed in the world in which a collective security system throughout Europe could be created. But that, of course, is the ideal.

[Abarinov] Nevertheless, things are not working out well for the United Nations or the CSCE in Karabakh at the moment. What is the problem?

[Gasymov] First of all there is a lack of information on the problem and its causes and actual scale. Gradually the West is coming to understand that what is going on here is not a struggle for ethnic or minority rights but, on the contrary, very real aggression by a state which is also a CSCE member. After all, there are Armenian armed forces actually making war on us on our own territory. If this question is examined the world community will find that it has sufficient sanctions at its disposal to resolve the problem. The CSCE and NATO are already approaching that realization, as is demonstrated by recent statements by European organizations, the Russian Foreign Ministry among them. All these factors inspire a certain hope.

[Abarinov] Why do you favor Iranian mediation?

[Gasymov] Azerbaijan does not favor that at all.

[Abarinov] In that case why do Yerevan and Stepanakert prefer it?

[Gasymov] That is a separate issue. Iran has its own interests in the region. Azerbaijan's independence in the future could create problems for Iran. Of course, Iran is trying to help the other side as much as possible so as to make it difficult for Azerbaijan to achieve independence. Even though we are trying to form relations with Iran, as with Russia, exclusively on the most friendly principles.

[Abarinov] Why did Azerbaijan not sign the Tashkent treaty?

[Gasymov] Simply because a military treaty already exists between Russia and Armenia in the CIS system. This makes Azerbaijan's inclusion in that alliance inequitable.

Minister on Transcaucasus Military 'Imbalance'

LD1106131592 Moscow Mayak Radio Network in Russian 1000 GMT 11 Jun 92

[Text] Azerbaijan plans to eliminate the imbalance of forces in the Transcaucasus region through its active participation in the CSCE and the North Atlantic Cooperation Council. This was stated to the TURAN agency by Tofik Gasymov, foreign minister of the republic.

As is known, the Armenian-Russian treaty on military security has led to a serious violation of military parity between the two conflicting Transcaucasus republics, which has showed itself in a series of serious defeats for the Azerbaijani Armed Forces and a loss of a part of the republic's territory, the TURAN agency comments. According to a report from the same agency, the Azerbaijani Foreign Ministry has presented an initiative to the Islamic Conference Organization, abbreviated as ICO, to examine the conflict between Armenia and Azerbaijan along with the question of the situation in Bosnia-Hercegovina at the upcoming ICO session in Ankara on 15 June.

Meanwhile, during talks in Moscow last week Russian State Secretary Gennadiy Burbulis told Khikmet Gadz'i-Zade, Azerbaijan's permanent representative in Moscow, that the Armenian-Azerbaijani conflict will not be settled until Russia becomes involved. He said that the NATO, CSCE, and UN missions will visit, but will not come up with any real solutions.

Minister Assesses Armenian-Russian Ties

OW1106223192 Moscow INTERFAX in English 1831 GMT 11 Jun 92

[Transmitted via KYODO]

[Text] Azerbaijan intends to actively participate in the activity of the international organizations in the framework of the Conference on Security and Cooperation in Europe and the Council of the North Atlantic Cooperation, Foreign Minister Tofik Gasymov told "IF" [INTERFAX]. He thinks that at present membership in these organizations is a guarantee of security and independence of Azerbaijan.

The Minister believes that the military activity of Armenia and "its close military-political union with Moscow" disrupts the regional balance of forces due to the republic's aspirations "to protect itself".

Gasymov put forward a supposition that the Armenian aggression against Azerbaijan is "actually waged to draw Turkey into this conflict". He believes that Yerevan "is waiting for a suitable moment" to present territorial claims to Turkey with Russian military support.

Russian Pilots Destroy Equipment Before Leaving

PM1106134792 Moscow IZVESTIYA in Russian 11 Jun 92 Morning Edition p 1

[TURAN (Baku) report: "Russian Pilots Slam Door on Leaving Airfields in Azerbaijan"]

[Text] Following the order from the Russian defense minister, Russian pilots are leaving their bases in Azerbaijan, putting navigational equipment and material and technical facilities out of action.

Leaving a military airfield near Baku 9 June, servicemen destroyed equipment and burned down stores of material assets worth 3 million rubles.

Air Force Planes Withdrawn

LD1206111992 Moscow Russian Television Network in Russian 1000 GMT 12 Jun 92

[From the "Vesti" newscast]

[Text] Azerbaijan—As of today all the aircraft of Russia's Air Force have been withdrawn except for the reconnaissance aircraft that have been blocked by the local authorities. Baku's instructions to shoot down any aircraft of the Transcaucasus Military District violating Azerbaijani airspace are still in force.

Airfield Blown Up After Hijacking Attempt

LD1106141692 Moscow Mayak Radio Network in Russian 1300 GMT 11 Jun 92

[Excerpts] An alarming IPRINDA agency report from Baku: According to reports from circles close to the command of the Air Forces of the Transcausus District, beginning today in the air space on the territory of Azerbaijan the system of united state search-and-rescue service has been disrupted which puts at risk the movement of any craft in the republic's skies. Army sources link these disruptions with the acts of the 861th Regiment of the National Army of Azerbaijan blockading the military airfield near the townlet of Dallyar.

Azerbaijani gunmen, IPRINDA reports, would not let three Il-76 plares with the families of officers on board take off for the past 24 hours demanding that a plane be handed over to them. An Azerbaijani crew managed by force to board one of the planes which did not yet have passengers on board and hijack it to an airfield near Baku. After this a Mi-8 helicopter was hijacked from the same airfield. Its crew had been forced to leave the cockpit after being threatened with guns.

The situation was saved after an attempt to hijack a second plane. In response Azerbaijani soldiers blew up the airfield's larding strip and put its independent power supply and navigation communications system out of action which has affected the functioning of the united rescue service.

'CIS' Helicopters Attack Towns; Clashes Noted

NC1106191392 Baku Radio Baku Network in Azeri 1700 GMT 11 Jun 92

[Text] The Azerbaijan Ministry of Defense Analytical Information Center made the following disclosure on 11 June:

Kazakhskiy Rayon: The situation in the rayon continues to be tense as in the past. Three CIS military helicopters took off from Armenia's Idzhevanskiy Rayon and fired rockets on Abbasbeyli and Buyuk Dzhafarli towns in Kazakhskiy Rayon at 1700 yesterday. No one was killed in the rocket attacks, but three houses were destroyed. (Dashdagly) town in Kazakhskiy Rayon was intensively shelled with artillery guns from Idzhevanskiy Rayon at 1230 today. Six houses were destroyed in the town. Two helicopters took off from Armenia and bombed the [name indistinct] and Dzhafarli towns a short time after the attack on (Dashdagly) town. [Name indistinct] town was also intensively shelled with artillery guns. Eight shells fell on the town and several houses were destroyed.

Kyzylgadzhyly, Bala Dzhafarli, Buyuk Dzhafarli, Kushchu Ayrum, Askipara, Musakoy, and Kheyrimli towns were intermittently fired on with various types of arms this morning. The field defense units of the national Army have repulsed the enemy attacks. The enemy forces have been defeated in all directions. They have suffered serious losses and have been forced to retreat. The Azerbaijan Armed Forces Command Headquarters has intensified the defense measures in the region to ward off the enemy attacks.

We wish to draw your attention to a report published in the republic's newspapers and in other mass media organs to the effect that the Armenians have captured Kyzylgadzhyly town in Kazakhskiy Rayon. This report is completely unfounded. The town is being defended by the fighters of our national Army and it will continue to be defended.

[Name indistinct] town was shelled with artillery guns this morning. The defense units in Kel'badzharskiy Rayon steadfastly held their positions. [passage indistinct] Two of our fighters have been killed in the clashes.

Dzhulably, Abdal, [name indistinct], Shilli, Papravend, and [name indistinct] towns in Agdamskiy Rayon were fired on from Askeran and Nakhichevanik towns; Gadzhar town in [name indistinct] Rayon was fired on from the Armenian-inhabited Trakhtic town; Kapanly, Seidimli, Demirchiler, [name indistinct], Askipara, and [name indistinct] towns in Terterskiy Rayon were fired on from Agdere Rayon; and [name indistinct] town in Kubatlinskiy Rayon and [names indistinct] towns in Zangelanskiy Rayon were fired on from Armenia's Kapanskiy Rayon with various types of arms last night. Several of our fighters were either martyred or wounded during the clashes in Terterskiy and Zangelanskiy Rayons.

Sadarak town in Nakhichevan Autonomous Republic also was fired on from Armenia with automatic firearms and machine guns last night. We wish to remind you that the field defense units of the national Army returned the enemy fire in all directions. The enemy attacks were warded off. The Azerbaijan Armed Forces Command Headquarters is taking effective measures to resolutely repulse the enemy attacks. The defense positions are being reinforced and the combat readiness of the fighters is being strengthened. We have enough strength to destroy the enemy.

Iranian Aircraft Violates Azeri Airspace

LD1106221792 Moscow POSTFACTUM in English 1654 GMT 11 Jun 92

[From the "Military News" section]

[Text] Baku—The violation of the air space by a two-engine Iranian plane was registered on June 10 in the area defended by the Prishibskiy frontier guard detachment in Azerbaijan. According to the information of the Azeri Defence Ministry, the plane moved further in the Azeri air space, and his return was not registered.

Minister Seeks Control of 23d Infantry Division

LD1106164892 Moscow POSTFACTUM in English 1515 GMT 11 Jun 92

[From the "Military News" section]

[Text] Baku—PF [POSTFACTUM] has learnt that on June 10 the command of the Transcaucasian Military District declined the demand of Azerbaijan's Minister of Defence, Rakhim Gaziyev, for the transfer of the 23rd Motorised Infantry Division deployed in Gyandzh to the National Armed Forces.

The minister of defence of Azerbaijan sent letters determining the dates (11-20 June) of the transfer of the division to Azerbaijan to the commanders of the district and of the Fourth Army. Under the resolution of the Supreme Soviet of Azerbaijan, dated 9 October, 1991, the letter says, on the nationalisation of the property of the former Soviet Army it has been decided that the 23rd Division be placed under republican jurisdiction and that a mechanized brigade of the National Armed Forces be created on its basis. Azerbaijan's defence minister requested the commanding officers to create normal conditions for the transfer of the division and in turn guaranteed the security of the servicemen.

The Deputy Commander-in-Chief of the Transcaucasian Military District, Lieutenant-General Sifiyan Beppayev, characterized the situation in Gyandzh as complicated enough. He said that provocative acts could not be ruled out. That was why the guard of all the division projects has been put on the alert. Beppayev once again reiterated the district's position: The transfer of the division is out of the question until an inter-governmental agreement between Russia and Azerbaijan has been signed.

Kamberov Notes Armenia's Annexation Plans

OW1106201292 Moscow INTERFAX in English 1600 GMT 11 Jun 92

[Transmitted via KYODO]

[Text] Speaking at a session of the Milli-Majlis Wednesday [11 June], acting President of Azerbaijan Isa Kamberov, said that Yerevan's next goal is to flush the Azeris out of the Karabakh region and annex a large portion of Azerbaijan. The Azeri Defense Ministry reports that Armenian forces are expanding their field of operations in the Cossack region of Azerbaijan. Two Azeri border towns, Yukhari Askipara and Farakhly, were taken by Armenian forces Wednesday [10 June]. In the battle for the towns 13 residents were killed and 40 wounded.

Kamberov also told deputies that there are currently 120 thousand refugees from Karabakh, Shusha, and Lachin in Azerbaijan.

Antigovernment Armenian Demonstrations Reported

NC1106201992 Baku Radio Baku Network in Azeri 1700 GMT 11 Jun 92

[Text] In accordance with the information it has received from the Azerbaijan Popular Front press service in Nakhichevan Autonomous Republic, the Azerbaijan presidential press office has disclosed that demonstrations have been held in several cities in Armenia. Mass demonstrations were held in the [name indistinct] Square in Yerevan from 6 to 9 June. The speakers pointed to the gradually deteriorating living conditions and the worsening crime rate in that republic. Demands were put forward for the immediate eviction of the [word indistinct], who have been living in Yerevan since 1988. The representatives of various social groups called for the immediate termination of the war with Azerbaijan. The nationalist forces took action against all of this. Clashes took place in the square and several people were killed or wounded. Hundreds of Armenians were forced to leave Yerevan during the three-day demonstrations.

Antigovernment demonstrations were also held in other cities. Workers in several establishments resorted to strikes. Political demands were put forward in addition to economic demands in these establishments. The demonstrators and the workers on strike warned that they would cross the border into the neighboring country [not further specified] if their demands were not met.

Demonstrations also were held in Leninakan. The demonstrators demanded that the prices of foodstuffs be lowered and that the commodities the people need daily be supplied to the trade centers. As a warning to the government, the demonstrators blocked the railway tracks in (Kendi) town. Many roadways also were blocked. Although traffic has resumed on the roadways, the demonstrators continue to [words indistinct]. The demonstrators addressed hundreds of telegrams to President Ter-Petrosyan warning him that they would cross into Turkey from (Kendi) town, which is on Turkey's border, if their demands are not met.

It has become apparent from this information that many (?foreigners) live in Armenia and that they play a significant role in the worsening of the complex situation in that republic. Considering the developments in Armenia, concealing the existence of a difference of views in the social domain in that republic is impossible.

Problems Facing Elchibey Outlined, Assessed

PM1206103192 Moscow IZVESTIYA in Russian 11 Jun 92 Morning Edition p 3

[Article by Georgiy Ivanov-Smolenskiy and Vasif Samedov: "Azerbaijan: Already Peace But Still War"]

[Text] Baku-Moscow—Happy Birthday, President!

It was a symbolic coincidence—surely few people can have become president on their birthday. It seems that this happened last Sunday, 7 June—Ebulfez Elchibey, born Aliyev and leader of the People's Front, was leading the race for the presidency, according to all preliminary calculations and assessments.

Although the chairman of the Central Electoral Commission is promising the official result only in 10 days' time, few people in the republic have any doubt that it is a fait accompli. A stagnation-era political prisoner, Elchibey has finally come to power—brought there by the People's Front after long and sometimes very dramatic years of struggle.

Here is how Elchibey himself assessed the policy of the republic's former leadership in conversation with us after the elections:

"The authorities which sprang from the Communist Party and were ensconced in parliament and the presidential residence during martial law could not solve even one of the republic's main problems—Nagorno-Karabakh, economic reform, or easing social tension."

Following the collapse of the empire, the party and state nomenklatura clung onto power with its usual tenacity for almost another year, but it was forced to abandon its past. Whereas the People's Front, to give it its due, correctly gambled on surefire slogans—anticommunism, independence from the empire, resolution of the Nagorno-Karabakh problem, and socioeconomic reforms. Their sometimes fanatical loyalty to these slogans understandably shook and restricted the power of the nomenklatura.

But there was a short circuit in Azerbaijan's already intense political line which cannot be overlooked—the 14 May "uprising." Because as an event, on the one hand, it accelerated the coming to power of the People's Front, but, on the other, it makes it possible to glimpse the republic's future and make assumptions about possible scenarios for the development of the political situation there.

The Orient, as is well known, is a subtle thing, and we should immediately add the rider that we will not be able to reveal all our sources.

The Orient Plus Politics Is Doubly Subtle

Although he became president for a day, Ayaz Mutalibov was not able to enjoy it for very long. Forced to leave his position for a second time, he took the ruling state and party nomenklatura with him. The same nomenklatura which was prompted to attempt to remove Mutalibov because of the definite lead held by People's Front of Azerbaijan [PFA] Chairman Elchibey and the doomed nature and unpopularity of the parliamentary majority representing the nomenklatura.

This is all true. But there were also other circumstances which largely predetermined May's "short circuit." We have testimony from entirely impartial people who spoke with Mutalibov in Moscow after he had fled from Baku by military aircraft.

Yes, on 6 March after the Khodzhaly tragedy, the legitimate president was forced to leave his post under pressure from PFA supporters. But, involuntarily leaving for a "well deserved pension," Mutalibov was not intending to make any attempt to return to power. He was encouraged to do so in May and even earlier by people from the "Baku clan," of which Mutalibov is a member. (Less strict formations than the Kazakh hordes and not formally structured, but nonetheless with quite definite corporate outlines, the "clans" of Azerbaijan today exert a real influence over the political situation.)

Just what suddenly alarmed the "Baku clan" and made them suggest to Mutalibov a venture which common sense would have recognized even then to be hopeless?

The fact is that at this very moment a mystical figure for Azerbaijan—Geydar Aliyev—was heading for the heights of power. It is no exaggeration to say that it was during his time as first secretary of the republic's Communist Party that the question "where are you from" and the reply to it became fateful for Azerbaijanis, helped them win appointments, and opened doors—or, on the contrary, slammed them shut. Head of the Nakhichevan clan, "iron Geydar" could keep rayon committee secretaries who arrived late for his speeches standing to attention for hours, he could make the capital's entire party and administrative aktiv attend a soccer game following unrest at the stadium. And Geydar Aliyev has remained a strong and authoritative figure in the Azerbaijani people's mythologized memory (we are deliberately leaving his political convictions and prejudices out of it).

Now the current leader of the Nakhichevan majlis was heading for power. Indeed outwardly nothing unusual had happened. For instance, just a few statements—including one on Central TV—regarding the fact that the 65-year age limit for the presidential elections had been set exclusively in order to stop Geydar Aliyev. And one or two other insubstantial things... But we have information to the effect that, even without Mutalibov's unsuccessful state of emergency, the republic was considering the possibility of calling off the presidential elections and establishing a power structure along the lines of the current Georgian Supreme Council—headed once again by the "old guard." There is also evidence that this idea was supported by political forces with the backing of up to 3,000 "bayonets."

This version of the possible development of events scared the "Baku clan" and forced the parliamentarians and party and state nomenklatura—who were scared more of the "Nakhichevanization" of the republic than its democratization—to appeal to the retired president to make a comeback. As a result, he finds himself in Moscow, the deputies who supported him are out of a job, the PFA leaders and its supporters are in the presidential residence and parliament, and Geydar Aliyev is still in Nakhichevan. This time the PFA succeeded in defending the natural development of the situation. But the presence in Azerbaijan's electric political life of forces and figures capable under certain circumstances of influencing the situation means that there is no reason to contemplate the future following the presidential elections with complete serenity.

"There is a danger of dictatorship in virtually all the former Soviet republics," Ebulfez Elchibey himself believes. "There are objective reasons for this—the weakness of civil society, the stereotypes in public awareness, the habit of obeying the authorities, and, finally, the severe economic position..."

But even when the trigger-happy word "dictatorship" is excluded from conversation and debate, you could still often hear it said in Baku that the new authorities would not last longer than a few months. Because the reports of stable and firm "nationwide support" for them are considerably exaggerated. It is also said that the Communists—who have been hunkering down a bit—have still not had their final say. Finally, following the PFA's arrival in power, a new opposition has emerged—the influential National Independence Party. Etibar Mamedov, its radical leader and one of the PFA's founders, enjoys tangible support in Turkey and, even more importantly, is coordinating his political efforts more and more closely with Nakhichevan.

The PFA leaders themselves, incidentally, are optimistic. Going by all outward signs, the PFA's position today is indeed more than stable. Whereas previously its social base was active and energetic, but not very broad—refugees, other unfortunates, some students, and a small section of the scientific intelligentsia—since 15 May this base has strengthened and broadened. Some people have joined it after being persuaded yet again of the PFA's resolve to achieve its goals in any situation, others (such as some of the nomenklatura) have joined out of a sense of self-preservation.

"Our aim," Ebulfez Elchibey told us the day after the elections, "is to build an independent, united, and democratic state in which the rights of all citizens would be observed irrespective of their religious and ethnic affiliations. In order to achieve this we are trying to rapidly reform our legislation and, above all, to adopt a new constitution for sovereign Azerbaijan. It will enshrine the separation of powers and a mechanism for society to exert real control over power. There is an obvious paralysis of power in the republic today. That is why we will have to hastily erect a new edifice for the state system and administration. And, finally, we will try as quickly as possible to create a mixed economy, begin small-scale privatization, and attract foreign investment. But the most important condition for all this is an acceptable resolution of the Nagorno-Karabakh issue."

Well, it was just this program that attracted many of the PFA's supporters and sympathizers. The whole question is whether these problems can be solved in the foreseeable future? And how much time and confidence will citizens give the PFA?

"We All Came Out of the Nagorno-Karabakh Overcoat"

Paraphrasing the Russian classics [subhead is paraphrase of Dostoevsky's remark "We all came out of Gogol's 'Overcoat'"], this could now be said by anyone in Azerbaijan—both supporters of the former authorities and People's Front supporters. In the past few months this overcoat has been riddled with holes and splattered with mud and blood. The loss of control over Nagorno-Karabakh and the surrender of Shusha and Lachin have been painful and disappointing for society. Every day hundreds of refugees from border areas swell the army of the despairing unemployed and homeless. You will not find anyone here who would judge events to be anything other than "Armenian aggression." There is not a person in the republic with any doubt that "sooner or later Nagorno-Karabakh will be regained at any price." This is awaited impatiently, almost fanatically. Nagorno-Karabakh has strained everyone's nerves.

Fifty-six Azerbaijani villages there have been destroyed. (To be fair, we would note that no fewer Armenian villages have been destroyed. In May last year alone Armenians were suddenly expelled from 26 villages.) The 200,000 refugees from Armenia have been swollen in recent months by the arrival of another 100,000 from Nagorno-Karabakh, Lachin, Shusha, and border areas. Admittedly, before the conflict began, 500,000 Armenians lived in Azerbaijan, whereas now there are only 20-30,000 left—mainly in mixed marriages. Ragim Guseynov, Azerbaijani health minister, showed us a list: The republic's hospitals currently hold no fewer than 800 wounded, of whom only 160 are military personnel. The rest are civilians. More than 3,000 people have been killed in all. (Around 1,500 Armenians have been killed during the "conflict")...

We are seeing a Lebanonization of hostilities and a Lebanonization of attitudes. If things are not stopped, the time is not far off when older Azerbaijani and Armenian children will start killing each other, with only a fuzzy memory of how the war started.

Normal people on both sides agree that things cannot go on like this. The tragedy is that everyone has their own view of the conditions for normalization.

"The condition for initiating talks," parliamentary Speaker Isa Kamberov said, setting out Azerbaijan's position, "should be the withdrawal of all troops from our territory and the disarming of all illegal military formations here. Otherwise the Armenian side will be negotiating from a position of strength. We will try to achieve this with the help of the world community's condemnation of Armenia as an aggressor and the application of the envisaged sanctions against it. If this fails, we will be forced to make every effort to restore our borders by military means. The guarantee of the observance of the rights of Armenians in Nagorno-Karabakh and their safety on Azerbaijani territory would be the return of Azerbaijanis to their enclaves [mesta kompaktnogo prozhivaniya] in Armenia and the granting to them of the same status accorded the Armenians in Nagorno-Karabakh. That is, achieving a mirror-image situation. Incidentally, I don't think this will be achieved soon."

That rider from the leader of the Azerbaijani parliament is symptomatic. Because there is also the position of the other warring faction. It was explained to us in Moscow by Feliks Mamikonyan, Armenia's permanent representative:

"We advocate that assault rifles now be set aside and that people sit down to negotiate. But achieving a mirror-image situation would mean starting to return 200,000 Armenians to Baku, where their apartments have long since been taken over. Beginning the talks not simply with a cease-fire but with a return to the original borders is unacceptable to the Armenians. They accounted for more than 75 percent of Nagorno-Karabakh's population. For the past four years they have lived under a blockade which has been getting tougher and tougher with every passing day. And now that this blockade has been lifted at the cost of hundreds of casualties and endless suffering, they want these people to voluntarily return to it. Just by giving their word, without any 100-percent guarantees, and without a real mechanism for safeguarding their security or rights... Armenians do not need Lachin—they would leave it tomorrow—but a third international force would have to guarantee the free flow of civilian goods into Nagorno-Karabakh."

Those are the starting points. They are incompatible and intransigent. We do not want to judge them. We would merely note that finding a way out of the Nagorno-Karabakh impasse will be extremely difficult for the new president and for the People's Front. All the more so in today's economic situation.

Either the War or the Economy

Here are some figures quoted to us by Doctor of Economic Sciences Gorkhmaz Imanov, director of the Azerbaijan

State Planning Committee's Economics Institute. Currently one-third of the republic's territory (one-fourth according to other figures) is affected by hostilities with varying degrees of intensity. Because of this, Azerbaijan has lost 34 percent of its sown area of wheat, with the corresponding figures being 32 percent for cotton, 72 percent for grapes, and 39 percent for mulberry trees. The Azerbaijanis used to obtain 34 percent of their meat and 39 percent of their dairy products from this lost land. Imanov's conclusion is that "Azerbaijan's transition to the market is impossible under wartime conditions."

What hopeful aspects are there?

There is the fact that in the Soviet Union Azerbaijan was one of the three republics—along with Russia and Byelarus—where intra-union exports were higher than imports. An annual 600,000 tonnes of raw cotton, 25,000 tonnes of aluminum, and 12 million tonnes of oil—these are still trump cards for the new politicians in their struggle for a really independent Azerbaijan. But serious economists believe that if they are trump cards, they are more sixes and sevens up the sleeves of the politicians than aces in the hands of the economic managers.

For instance, oil is no more than 50-percent refined in Azerbaijan, whereas in the rest of the world the figure is 80-85 percent. On average, fixed capital is 25 years old, and world standards are unattainable in cotton processing, aluminum smelting, or even wine-making on a mass scale. Like other former Soviet republics, Azerbaijan will probably have to count on the familiar refrain "other countries will help." But other countries are not yet rushing to help on a large scale. Even the closest country historically and ethnically—Turkey—is mainly restricting itself to political assurances and humanitarian aid. Not to mention Iran. This is natural, incidentally—people prefer not to invest their millions in a country at war.

So we have a vicious circle: The state of the economy is complicating the stabilization of the political situation—if the war is not stopped, the economy will not get back on its feet. This is compounded by the fact that the People's Front, which opposes "Moscow's diktat" in its struggle for liberation from dependence on the "empire," must logically distance itself from the CIS countries. Yet Russia alone accounts for up to 55 percent of Azerbaijan's imports. Economists estimate that the Azerbaijani economy will only become sufficiently autonomous in a minimum of 5-10 years' time. Provided that two basic conditions are met—an end to the war and the utmost economic pragmatism.

What State Planning Committee will give the new authorities even a single quiet five-year period?

Today everything is so far developing for the People's Front and its leader as it would for other democrats. With one exception—the war. And therefore time is short. Everything is happening and will continue to happen more quickly.

Aliyev Notes 'Intensified' Armenian Attacks

TA1206101992 Ankara ANATOLIA in English 0953 GMT 12 Jun 92

[Text] Erzurum, June 12 (AA)—Armenian militants have intensified armed attacks on the Azeri enclave of Nakhichevan, the enclave's President Geydar Aliyev said on Friday [12 June].

Aliyev told AA by telephone that artillery attacks on the township of Sadarak close to Nakhichevan's border with Turkey were continuing and had intensified after noon on Thursday [11 June], the first day of the 4-day Muslim Bayram holiday.

"They have ruined our Bayram," complained Aliyev, who said Nakhichevan was facing grave food shortages.

He said that four truckloads of flour sent by the Turkish Red Crescent had already been distributed and that further supplies would not reach the beleaguered enclave until after the Bayram holiday which ends on Sunday [14 June].

Kurds Declare 'Restoration' of Kurdish State

OW1106191692 Moscow INTERFAX in English 1600 GMT 11 Jun 92

[Transmitted via KYODO]

[Text] The Declaration on the Restoration of the Kurdish State, passed June 9 in Lachin at a founding assembly of the Kurdish Liberation Movement and all social-political Kurdish organizations of the former Soviet Union, was announced in Yerevan.

The Kurds are concentrated in the Lachin, Kelbadzhar, Kubatlin, Zangelan, and Dzhebrail regijons of Azerbaijan. The Kurds had gained autonomy as the republic of Krasny Kurdistan in Azerbaijan, but were stripped of this status by a special decree by Stalin in 1931. The Kurds were deported and repressed and accuse Azeribaijan of imposing Turkish ways upon them. The Kurds said that "Azerbaijan's unlimited rule threatens the disappearance of the Kurds".

The declaration announces the revival of the Kurdish state whose capital will be the former Kurdish capital in the city of Lachin. The Kurdish Liberation Movement has complete power in forming election organs. General elections of plenipotentiary representatives of Kurdistan will begin July 17.

The declaration was signed by the chairman of the assembly Vakil Mustafayev. A statement from the leadership of the Kurdish Liberation Movement declaring the Kurdish people the only masters on the territories of the Kelbadzhar, Lachin, Kubatlin, Zangelan, and Dzhebrail regions of Azerbaijan was also distributed.

The document appeals to the population of these regions not to leave their land and help the Kurdish Liberation Movement.

Georgia

Shevardnadze Comments on Cease-Fire Agreement

LD1106200392 Moscow Russian Television Network in Russian 1600 GMT 11 Jun 92

[From the "Vesti" program]

[Text] The war around Tskhinvali: In the last few days, thank goodness, its epicenter has moved to the auditoriums of government sessions and to the negotiating table. The first attempt at a settlement was made in Kazbegi yesterday. Today we are awaiting a decision on a cease-fire from Tbilisi.

[Begin video recording] [N. Kandiashvili reporting from Georgia] Yesterday, in the settlement of Kazbegi, a meeting took place between State Council of Georgia Chairman Eduard Shevardnadze and Galazov, chairman of the Supreme Soviet of the North Ossetian SSR. After a thorough, business-like conversation, and a meeting with local residents, the sides arrived at a number of agreements; in particular, on an immediate cease-fire in the conflict zone. A quadrilateral group of observers is to be formed by 12 June with the participation of the armed formations and a peacekeeping sub-unit consisting of Afghan veterans that are involved in the conflict. A joint press center is also being set up to be shared by representatives of the interested sides. Comprehensive measures are being worked out to create conditions for returning refugees. An operational investigation group is being organized.

The sides have considered it expedient for the Government of the Russian Federation and the Republic of Armenia to take part in the talks.

[Shevardnadze] The most important thing that we have agreed upon today is the fact that, from today, we, the Georgian side and the Ossetian side respectively, should monitor the state of the implementation of each phrase, of each clause in these documents. [end recording]

Armed Group To Monitor S. Ossetia Cease-Fire

LD1106223192 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1700 GMT 11 Jun 92

[From the "Novosti" newscast]

[Text] According to reports from Tbilisi and Vladikavkaz, the creation of a tripartite armed group to monitor the cease-fire in South Ossetia has begun. Some 500 Afghan veterans from both North and South Ossetia and Georgia will monitor the situation.

Report on Deteriorating Situation in Ossetia

LD1106172892 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1400 GMT 11 Jun 92

[From the "Novosti" newscast]

[Excerpts] Very contradictory information is continuing to come from the region of the two Ossetias and a Russian parliamentary delegation has set off there in order to somehow get to the bottom of what is happening.

The Georgian SAKINFORM agency reports on the deaths of children after firing from the Ossetian side. Moreover, it is asserted that the Georgian side did not return fire.

[Correspondent I. Shaov] The situation in South Ossetia remains extremely tense. Tskhinvali is being subjected to firing from rocket installations, artillery equipment, and rifle fire practically around the clock.

The figures for casualties and destruction are rising every day. Three were killed and 17 wounded in the last 24 hours alone. Certain hopes were being laid here on the talks that took place yesterday in Kazbegi between Akhsarbek Galazov, chairman of the North Ossetian Supreme Soviet, and Eduard Shevardnadze, chairman of Georgia's State Council.

However, despite the accord, Tskhinvali was again fired on by all types of weapons last night and this morning. There are casualties again. Traffic in Tskhinvali has practically been paralyzed. Because of the firing and blockading of roads it is impossible to transport the wounded from Tskhinvali to Vladikavkaz. In the central hospital—which, incidentally, is being subjected to the fiercest firing—there are more than 100 wounded people who urgently need transportation.

The unceasing flow of refugees is seriously destabilizing the situation in North Ossetia too. [passage omitted]

'Intermittent Firing' Reported

AU1206084492 Tbilisi Radio Tbilisi Network in Georgian 0700 GMT 12 Jun 92

[Text] The Republic of Georgia Ministry of Internal Affairs Press Center informed us this morning that 11 June was relatively calm in the Tskhinvali region. From 0100 to 0300 on 12 June there was intermittent firing from the direction of Tskhinvali toward the villages of Tamarasheni, Nikozi, Achabeti, and Ergneti. There was no return fire from the Georgian villages.

Tskhinvali Shelled

LD1206121892 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1100 GMT 12 Jun 92

[From the "Novosti" newscast]

[Text] The situation in Vladikavkaz has aggravated once again. Tskhinvali and surrounding villages were intermittently fired on overnight with all types of arms, and there are killed and wounded among the town's defenders and civilian population.

This morning, ITAR-TASS reports, Georgian formations supported by armor took the Ossetian village of Bagatykau, an important strategic position along the approaches to Tskhinvali. Here, too, there are killed and wounded.

In the meantime, the Ossetian and Georgian sides, in accordance with the protocol signed in Kazbegi by Georgian State Council Chairman Eduard Shevardnadze and Akhsarbek Galazov, chairman of the North Ossetian SSR [as heard] Supreme Soviet, have begun to form their own peacekeeping subunit made up of Afghan veterans.

According to RIA, the first military transport planes brought subunits from an independent [otdelnyy] special purpose motorized rifle division from Moscow this morning, touching down at Vladikavkaz airport. There are 56 planes with combat equipment and airborne assault troops to control the state of emergency regime due to arrive during the day.

Cease-Fire Reportedly 'Holding'

LD1206131892 Moscow Radio Rossii Network in Russian 1200 GMT 12 Jun 92

[Text] A cease-fire agreement has come into force in Tskhinvali as of 1200 on 12 June. According to information available to the Georgian Council of Ministers, the cease-fire is holding. The same information indicates that the headquarters of the Georgian National Guard in Gori is in control of the situation.

There have been individual shoot-outs and machine-gun bursts, but there have been no large-scale missile shellings, the NEGA agency reports.

Situation Remains 'Peaceful'

AU1206150092 Tbilisi Radio Tbilisi Network in Georgian 1300 GMT 12 Jun 92

[Excerpt] [Passage omitted] Some 20 minutes ago, we again contacted the emergency headquarters [in Gori] and spoke with Batoni [Georgian polite form of address] Tushurashvili [Georgian envoy in South Ossetia]. He stated that, as they were speaking, it was peaceful in the region. [passage indistinct] The Georgian side had already sent (?observers) who are already [words indistinct] on the territory and are awaiting representatives from the Ossetian side. As Batoni Robinzon Tushurashvili informed us, [words indistinct] wholly incomprehensible the information being broadcast by Moscow TV claiming that shooting is continuing and [words indistinct] artillery fire [words indistinct] As one can see, Moscow [words indistinct] stabilization of the situation in Georgia.

Shevardnadze, Yeltsin Discuss Mutual Problems

AU1206144292 Tbilisi Radio Tbilisi Network in Georgian 1300 GMT 12 Jun 92

[Summary From Poor Reception] A telephone conversation was held between Eduard Shevardnadze, chairman of the Republic of Georgia State Council, and Russian President Boris Yeltsin on the initiative of Boris Yeltsin. Their conversation focused on "the current state of Georgian-Russian relations." Boris Yeltsin stated that "it was necessary to speed up preparation of a (?big) agreement on the principles" underlying relations between the two states. He said that on his instructions an authoritative working group had been formed that was to accelerate this work and complete (?it) in the near future. Eduard Shevardnadze welcomed this statement and pointed out that "Georgian leaders [words indistinct] practically a draft agreement." They also discussed problems "pertaining to the Tskhinvali" region. Batoni Eduard Shevardnadze informed the Russian president of "the results of his"meeting in Qazbeki". He stated that both the Georgian and Ossetian sides had agreed that "it was absolutely vital to (?reach a cease-fire) in the conflict zone; it was also necessary to quickly form a group of observers made up of representatives from both sides, that is to say military persons. Batoni Yeltsin expressed the wish that Russian representatives be included in the group of observers. [words indistinct] former Afghan [word indistinct] to create an international battalion. Their conversation also touched upon ending the blockade of Georgia, on renewing the supply of gas to Georgia, and extensive economic [words indistinct] They had "a constructive dialogue that was held in an atmosphere of mutual understanding."

Ioseliani Orders Armed Groups To Join Army

OW1106150692 Moscow INTERFAX in English 1216 GMT 11 Jun 92

[Transmitted via KYODO]

[Text] The vice-chairman of Georgia's State Council Jaba Ioseliani, the Commander of the "Mhedrioni" military unit has issued a warrant, instructing all legal and illegal armed forces and groups, given their members are reservists or officers, to enlist in the Georgian Army. This step, the warrant notes, is being taken to form a single army in Georgia.

Personal arms or weapons of common use must be registered by all means. Jaba Ioseliani's order dismisses as void all earlier issued documents for carrying and keeping arms. It's strictly forbidden to carry arms illegally.

Protests Mount Against Abkhaz 'Dictatorship'

AU1106090692 Tbilisi SVOBODNAYA GRUZIYA in Russian 30 May 92 p 1, 4

[Report by Tengiz Pachkoriya from Sukhumi: "'I Suggest You Resign Along With Me'"—quotation marks as published]

[Text] There have recently been many discussions and statements on the crisis in the Abkhaz parliament. Certain people even believe that this crisis has reached its culmination, but is this the case?...

On 27 May, Tamaz Nadareishvili, first deputy chairman of the Abkhaz Supreme Council, adopted an address to Vladislav Ardzinba, chairman of the Supreme Council of the autonomous republic. We offer for your attention the text of this address that, incidentally, was broadcast by the "Matsne" television program:

"To V.G. Ardzinba, chairman of the Supreme Council of the Abkhaz Autonomous Soviet Socialist Republic [ASSR].

Recently, against the background of a worsening socioeconomic crisis, it has been observed that the sociopolitical situation in Abkhazia has also become acute. All this is causing extreme concern and alarm on the part of the population of the autonomous republic. Undoubtedly, the events taking place in Abkhazia will be analyzed, but today one thing is clear to many people: The activities of the Supreme Council of the Abkhaz ASSR and its Presidium have become the main and determining factor governing the political and socioeconomic crisis facing society, something that has been repeatedly mentioned and warning of which has been given by the representatives of the Georgian deputies' group. Today, already a number of non-Georgian deputies of the Abkhaz ASSR Supreme Council are also assessing the activities of the parliament as unsatisfactory. It should be pointed out that my previous statement concerning my departure from my current post was conditioned by my disagreement with the policy that you are conducting that contains nothing that is constructive and that runs counter to the interests of Abkhazia itself and the general state interests of the Republic of Georgia.

You have found yourself a prisoner of the narrow-group interests of certain political forces in society that have nothing in common with the true hopes of the Abkhaz people and other peoples living in Abkhazia. It is most unfortunate that you and your circle have not managed to understand or have not wanted to understand the immutable truth that Abkhaz-Georgian relations form the cornerstone of all political, socioeconomic, and spiritual life in Abkhazia. At the same time, in no way do I want to belittle the place and role of the representatives of other nationalities in the life of the autonomous republic. It is precisely the extent of these relations that has determined, is determining, and permeates all our lives. It is precisely these relations that form the guarantee of the future of Abkhazia and the condition for its prosperity and well-being.

However, your unwillingness to take into account the realities of the day, your inflexibility, disregard of the opinions of others, adoption of unilateral decisions, violation of the Constitution of the autonomous republic, and the unpredictability of your actions (I believe this is conditioned by the lack of a clear, well thought- out, and prudent political policy) present a danger to the course of the future sociopolitical development of Abkhazia and are leading our society to a disastrous confrontation. In this fairly complex situation, the statement issued by representatives of the Abkhaz creative and scientific intelligentsia (see SVOBODNAYA GRUZIYA 21.5.92—editor's note) instills certain hope. I, like all the Georgian deputies, share the alarm regarding the situation that has taken shape both in the Supreme Council and in the autonomous republic as a whole. Our position is clear to the entire public of Abkhazia and to you personally. We favor the resolution of all problems by means of political dialogue and mutual compromises. We have more than once proved our desire to find a way out of complex situations, but we do not see the same in your actions.

Proceeding from the aforementioned, I suggest that you resign along with me. I am sure that this will defuse the situation and will enable other positive forces in society to find those resolutions that will ensure civic peace and interethnic accord in Abkhazia.

Tamaz Nadareishvili, first deputy chairman of the Supreme Council of the Abkhaz ASSR
Sukhumi, 27 May 1992."

We, as yet, do not know the official reaction of Vladislav Ardzinba to the aforementioned address although one can assume that it is possibe that it will be diametrically opposed.

It is believed in local political circles that what is at issue are not personal and official relations between V. Ardzinba and T. Nadareishvili, although they have indeed not developed and have been extremely cold, but the fact that, recently, there have been virtually no official contacts between them (they have simply not being talking to one another).

What lies at the heart of the matter are, of course, the fundamental differences of opinion on a whole range of problems that have accumulated in the Abkhaz parliament and in the autonomous republic as a whole and their different approaches to questions concerning the stabilization of Georgian-Abkhaz relations. It is also no secret that the representatives of both the Abkhaz and Georgian delgations in the Abkhaz parliament assess in different ways the activities of both the chairman of the Abkhaz Supreme Council and his first deputy. It is essential that all the accumulated problems and controversial questions be resolved in a peaceful atmosphere by means of dialogue and compromise.

Protest Meetings

Public meetings are being held in the towns and rayons of Abkhazia in protest against the unilateral actions of the Abkhaz Supreme Council regarding forming the government of the autonomous republic and the adoption of unconstitutional decisions. In Gali, a meeting of the rayon's aktiv workers was held, whose participants

decided to reject the introduction of the post of administrative chief in Gali Rayon. According to the decision of the meeting of the aktiv workers, a council of representatives of labor collectives and a collective organ for administering the rayon—the council's presidium—have been created. The aktiv workers expressed their lack of confidence in the Supreme Council and the Council of Ministers of Abkhazia and demanded the repeal of the resolutions and decisions adopted in violation of the agreements existing between the Georgian and Abkhaz sides on the formation of the Abkhaz Government.

At a meeting of sociopolitical and economic aktiv workers in Gulripshi Rayon, there were also representatives of different Georgian political and social organizations and movements in attendance. The aktiv workers of Gulripshi Rayon declared their lack of confidence in and disobedience to the Supreme Council and Government of Abkhazia and demanded the repeal of all anticonstitutional acts adopted by the organs of power of the Abkhaz ASSR, the immediate withdrawal of the Abkhaz Guard from Gulripshi rayon and its disbandment, and the dissolution of parliament and the holding of new democratic elections based on equal rights. In the event that the demands of the aktiv workers of these rayons are not met by 27 May, they will implement other peaceful measures of protest, including the creation of parallel structures of power. Similar demands were adopted at a meeting of the Georgian public living in the zone of the town of Gagra. The participants also demanded that elections to the Republic of Georgia Supreme Council in October of this year be ensured on the territory of Abkhazia, the granting of airtime on Abkhaz Television for programs in Georgian, and so forth.

Entrepreneurs Want To Sober Up the Politicians

An appeal has been adopted by 48 well-known Georgian entrepreneurs in Abkhazia (including the chiefs of a whole range of large enterprises) to all entrepreneurs in the autonomous republic, whose text was published on 26 May in the newspaper ABKHAZETIS KHMA [VOICE OF ABKHAZIA]. It is stated in the appeal that the sociopolitical situation in the autonomous republic is extremely tense and that Abkhazia is faced with the danger of an armed conflict. The entrepreneurs point to the fact that today is not the time to fathom the reasons for the tense situation that has taken shape in Abkhazia. According to them, the rulers of Abkhazia could, through their current policies, bring the multinational population of Abkhazia to an irreparable tragedy. The appeal states that, being guided by these views, Georgian entrepreneurs have already declared their complete disobedience to the Abkhaz Supreme Council and the illegal government formed by it. The entrepreneurs state that they will not maintain the state apparatus and will not fulfill the decisions and orders of the Supreme Council and Government of Abkhazia. This action on the part of the entrepreneurs is not directed against any people living in Abkhazia. The appeal states: "We only want to sober up the politicians who, because of their political ambitions and career aspirations, are ready to sacrifice the happiness and prosperity of the people of the autonomous republic. We must not allow the ruling circles of Abkhazia that are being financed by the workers to use the resources allocated to do damage." The entrepreneurs believe that the rulers of Abkhazia should become convinced of the fact that "we are in a position to paralyze the activities of parliament, the government, and the workers of the state apparatus."

Protest by Workers of the State Apparatus

A large group of responsible workers of Georgian nationality of the state apparatus of the Abkhaz ASSR, including a group of members of the Government of the autonomous republic that has not been formed (among them a number of ministers and one of the deputy chairmen of the Abkhaz ASSR Council of Ministers), and the workers and chiefs of a number of ministries, departments, organizations, and large enterprises have adopted a statement in which they share the concern and alarm regarding the development of the situation in Abkhazia that have been expressed in the decisions of the congress of representatives of the Georgian public of the autonomous republic. The statement, which has been signed by more than 100 responsible economic and state workers of Georgian nationality, states:

"Rejecting in principle all forceful methods of resolving problems, we still continue to hope that the situation can be resolved by means of political dialogue, taking into account mutual interests. In this regard, we state our insistent demand that all the points of the resolution of the congress of representatives of the Georgian public of Abkhazia be fulfilled (see SVOBODNAYA GRUZIYA of 12 May). If these demands are not fulfilled speedily and unconditionally, we will declare our disobedience to the authorities that have brought Abkhazia to a political, social, and economic crisis and we call upon all the residents of the autonomous republic to aktivly oppose the dictatorship that is being established."

It is difficult for us to judge what the reaction will be to the aforementioned statement and how effective this protest action by responsible workers itself will be.

Abkhaz Leader Sends Shevardnadze Protest Message

AU1006160292 Tbilisi Radio Tbilisi Network in Georgian 1300 GMT 10 Jun 92

[Text] A message from Vladislav Ardzinba, chairman of the Abkhaz Supreme Council, to Batoni [Georgian polite form of address] Eduard Shevardnadze, chairman of the Republic of Georgia State Council, was published in the newspaper RESPUBLIKA ABKHAZII today. The message, which was signed by Ardzinba on 6 June, states that he was obliged to make the following statement on account of the worsening situation in Abkhazia: Military [words indistinct] military formations [words indistinct] parallel structures of power [words indistinct] not to obey the Abkhaz constitutional organ is causing destabilization in Abkhazia.

According to Batoni Ardzinba, the Georgian mass media are creating an anti-Abkhaz mood within society. They are unjustifiably criticizing the Abkhaz parliament and are accusing the authorities of conducting undemocratic policies. It is stated in the message that a decision was adopted on the transfer of military property in the port of Ochamchira to the Republic of Georgia Ministry of Defense without consultation with representatives of the Abkhaz Autonomous Republic. Ardzinba believes that the Republic of Georgia Ministry of Defense, which supports Givi Lominadze, Abkhaz minister of internal affairs, is apparently violating the Abkhaz Constitution and (?its actions) are directed against Abkhazia's lawful authorities.

Vladislav Ardzinba's message to Batoni Eduard Shevardnadze was sent on 6 June.

On 7 June, a working delegation of leaders from the Abkhaz Autonomous Republic consisting of Sergey [name indistinct], first deputy chairman of the Abkhaz Council of Ministers, [name indistinct], procurator of the autonomous republic, and deputies Zurab Achba and David [name indistinct] travelled from Sukhumi to Tbilisi. There, they met with Batoni Eduard Shevardnadze, Tengiz Kitovani [Georgian defense minister], and Aleksandr Kavsadze [acting deputy prime minister and chairman of the state commission for interethnic relations and the defense of human rights]. Yesterday, the delegation returned to Sukhumi. According to preliminary information, the meeting was conducted in a [word indistinct] and businesslike manner. (?Similar meetings) will be held in the future. Their main aim will be to stabilize the situation that has taken shape in Abkhazia and normalize Georgian-Abkhaz relations.

Abkhazia Leader Discusses Future of Republic

OW1106153592 Moscow INTERFAX in English 1411 GMT 11 Jun 92

[Transmitted via KYODO]

[Text] On Thursday [11 June], leader of the National Front of Abkhazia Sergey Shamba announced at a press conference in Moscow that his native republic might become one more hotbed of tension. Abkhazia, an autonomous republic of the former Georgian Republic, is campaigning for complete independence and intends to develop relations with Georgia on the basis of a bilateral agreement on military, political and financial-economic union, or a temporary agreement on the delimitation of powers.

We've practically lost hope for civilized settlement of the problem of Abkhazia's state set-up, said Shamba, because there are forces in Georgia which are deliberately fanning tensions. The arrival of Shevardnadze has reduced the possibility of tackling these problems constitutionally.

"Georgia's new administration has already compromised itself," said Sergey Shamba. "It has done all the dirty work and will obviously leave the stage."

Speaking about the position of the Russian authorities on Abkhazia and on the problems facing all ethnic Russians outside Russia, Member of the Presidium of the Abkhazian parliament Yuriy Vorontsov described it as immoral and treacherous. "If Russia has proclaimed itself the successor of the Soviet Union," he told IF [INTERFAX], "it must defend its citizens living beyond its borders."

The situation in Abkhazia deteriorated this week following the arrival of a Georgian national-army battalion in Sukhumi. The Georgian battalion is reported to have been blocked by Abkhazia's interior troops.

Latvia

Defense Minister Jundzis on Military Doctrine

MK1206100992 Moscow ROSSIYA No. 24 in Russian 10-16 Jun 92 p 4

[Interview in Riga with A. Jundzis, Latvian Defense Minister, by Janis Udris; date not given: "If the Worst Happens, We Will Wage a Guerrilla War"—first paragraph is introduction]

[Text] From the ROSSIYA file: Talavs Jundzis is 41 years old. He saw active military service in the former USSR army. He graduated from the University of Latvia Law Faculty in 1974. Then he worked in the republic Prosecutor's Office and since 1988 at the Latvian Academy of Sciences Institute of Law. He is a candidate of sciences. He has been a member of the Latvian People's Front since the day it was founded in 1988. In 1990 he was elected a deputy of the Latvian Republic Supreme Council and chairman of the Defense and Foreign Affairs Commission. He was one of the organizers of the defense of government buildings in Riga in January 1991. He was appointed defense minister 19 November 1991.

[Udris] Minister! What is the essence of the republic's military doctrine, and which legislative acts determine the process of creating its armed forces? Finally, will they include the idea of creating a common defense system for the Baltic countries?

[Jundzis] Our military doctrine is based on the main aim of defending Latvia's state independence. Against whom? We see a threat from three sources. First, the presence of an army of occupation in Latvia. The events of August 1991, when its units suddenly seized the republic's TV and radio service and occupied government buildings for several hours, are still fresh in our minds.

The second source is instability on the territory of the former USSR. The third and final source comes from individual armed groupings on our territory closely linked to the former Communist Party, uniting KGB staffers who have gone underground, some former Soviet Army veterans, and party functionaries, who are continuing to wage the struggle against the republic's independence.

Of course, it is hard even to think that we can defend our country in the event of aggression with our 9,000-strong army—that is roughly the size of the Latvian Republic's self-defense forces that are being created. That is why the organization of guerrilla struggle is a substantial element in our defense plans.

It is envisaged, for example, that if Latvia is invaded by a superior enemy, regular self-defense units will offer the aggressor resistance for as long as possible. Then, having exhausted all "legal possibilities," shall we say, soldiers will automatically be "transformed" into guerrillas and continue the struggle along with civilian volunteers and people's voluntary militia.

Thus, the main aim is to prevent a repetition of the events of 1940, when Latvia's 29,000-strong armed forces offered the Red Army no resistance. That is why such an important role is assigned to the people's voluntary militia. They number around 10,000 now. They protect the state border and help the police and customs service.

We are also planning to create a mobilization reserve. Our law prescribes 18 months military service followed by discharge into the reserve. Taking world experience into account, we are planning to increase that number to 10-15 percent of the total population and in the event of a state of emergency mobilize another 200,000-250,000 well-trained soldiers.

As for the legal basis of the creation of the national armed forces, we have already gone somewhat further than our neighbors, Lithuania and Estonia, on that issue. For instance, we have already adopted a Law on the State Border, which prescribes the functions, rights, and duties of border troops. We already have laws on compulsory state service and the people's voluntary militia. In addition, on the basis of the defense concept we have prepared drafts of the basic law on the defense of Latvia and the law on military service.

...Our concept envisages cooperation with European countries, especially with regard to creating a unified defense system with Lithuania and Estonia. Since 1990 there have been regular consultations with them on this matter. In the past few months alone, for example, we have discussed problems relating to the creation of joint naval and air forces and a unified communications system. Thus the preconditions are being created to establish a common defense system.

[Udris] In acquiring independence, the Latvian Republic, presumably, is trying to find its place in the pan-European system of collective security. Therefore, your state's interest in NATO is understandable. However, this "lifeboat," in the opinion of General Brian Kenny, NATO deputy commander in Europe, will not have "room for everyone." Do you see alternative ways to resolve the collective security problem involving the Latvian Republic?

[Jundzis] The collective security question worries many people today. The creation of such a system in Europe is our common goal. One part of Europe is already protected by the stable "NATO umbrella." There is another part that is not, however—Central and Eastern Europe and the Baltic countries. Undoubtedly it is simply impossible for NATO to accept another 20 or more countries (including the former republics of the USSR which have recently acquired state independence). I agree with General Kenny that such a solution to the problem would merely "wipe out" the bloc.

In my opinion, however, there is another solution which is almost ideal. As is well known, last year in Rome the NATO leaders set up the North Atlantic Cooperation Council. It now includes the former republics of the USSR, the Baltic countries, the Central European states,

Poland, and Czechoslovakia. For us this is the ideal way of getting closer to NATO and gradually merging with it.

[Udris] "...With Russia? Without Russia? Against Russia?"—that was how Latvian parliamentary deputy Janis Freimanis formulated the problem recently in an article which caused such a stir. Forgetting the "old wounds" for a moment, what choice would be best for the republic?

[Jundzis] I think that the answer depends primarily on Russia itself. Compared with its mighty neighbor with its considerable economic and military potential, Latvia is a drop in a vast ocean. And we, of course, have a far greater interest in seeing our neighbor friendly so that the answer to your question must be a positive—"with Russia"...

Of course, Russia is not responsible for the sins of the former Soviet Union even though in present-day relations with the Russian Federation there are very many "gray areas." Take, for example, the talks on the withdrawal of what is now the Russian army from Latvian territory, talks which began 1 February 1992. This question is extremely important to us, and we would like to believe what our Russian partners told us then, namely that Russia wants to create an atmosphere of confidence-...However, the course of the talks shows that this is regrettably still far from reality. It is the Russian side which lacks the understanding and desire to settle this question.

After all, the command of the Northwestern Group of Forces does not even consider it necessary today to inform us of its activity or the relocation of its units on the republic's territory. Who can be pleased by the fact that Latvian dockyards are being used to repair Russian Navy submarines for Libya?

In short, life itself and the "big neighbor's" attitude toward us will also determine the future of bilateral ties.

[Udris] The problem of the withdrawal of Russian troops from Latvian territory and questions relating to various forms of compensation and accords on this score are undoubtedly now paramount in Russian-Latvian relations. Do you regard Moscow alone as "guilty" of dragging out the solution of this question.

[Jundzis] The Baltic countries cannot be compared with Poland, Germany, or Czechoslovakia, countries where former Soviet troops were stationed under various accords. There are no accords with Latvia in that respect. Since 1940 the troops have performed purely occupation functions in our country.

In addition, the impression taking shape in our country is that in Russia no one is as yet looking seriously for apartments for the troops to be withdrawn. There is even reason to believe that these difficulties are being artificially exaggerated. Because many empty or semi-empty military installations in Latvia are still being guarded as though they were operational. Why not hand them over to us now?

Clearly, we are seeing a "new tactic" here—maintaining the impression in our country that there are still vast contingents of men and that it is difficult to withdraw them all at once. I believe that if the Russian side took this question more seriously, the withdrawal deadline that we suggested—September 1993—would be perfectly feasible and realistic for Russia...

Defense Council Counters Army Coup Warning

LD1106224792 Riga Radio Riga International in English 2030 GMT 11 Jun 92

[Text] The Defense Council of Republic of Latvia has issued a strongly worded statement about the interference of Russian troops into internal affairs of Latvia. The document follows a statement to the press by the leader of the Russian Army Officers Assembly, Col. (Kandilevskiy), in which he warns of a military coup in Latvia and says that in the event of a coup the Russian troops stationed here would defend the Latvian legal authorities. The Latvian Defense Council says that the assembly has repeatedly displayed its hostility towards the Latvians' independence, and has published several provocative statements. The document said, quote: The activities of the Officers' Assembly are evident of its attempt to destabilize the situation and assume the actual leadership of the Russian Army group, the Northwest Army Group.

Law on Entrance, Stay of Foreigners Reviewed

LD1106212992 Moscow POSTFACTUM in English 1328 GMT 11 Jun 92

[Text] Riga—The Parliament of Latvia has drawn up a list of persons to whom the law on entrance and stay of foreigners and stateless persons in the Latvian republic will apply.

The Supreme Soviet resolution on the procedure of putting the law into effect, passed on June 10, says that the law will be applied first to those foreigners who arrive in Latvia after the law comes into force—as of July 1, and to those persons who are residing in Latvia without permanent registration. These persons are to obtain a residence permit from the Latvian republic's citizenship and immigration department within a month after the law comes into force.

The resolution says that the law does not apply to those foreigners and stateless persons who have received permanent residence permits in Latvia prior to the passing of the law, that is, to permanent residents of the Latvian republic who are not its citizens under the resolution of the Supreme Soviet on the re-establishment of the rights of the citizens of the Latvian republic and the naturalisation procedure adopted in October 1991. Their status and the regime of stay in the Latvian republic is to be

determined by a special law to be passed by the Supreme Soviet with due account of the inter-governmental agreements of Latvia with the Russian Federation and the other CIS member-states. The Cabinet of Ministers of Latvia is to approve a statute on the procedure for issuing residence permits prior to June 22.

In the course of the discussion of the resolution the codicil on the applicability of the law to foreigners who reside in the republic without a residence permit has not met with objections of principle. The necessity was substantiated with data on a large number of crimes being committed by visitors residing in Latvia without a permit and by vagabonds. At the same time a deputy of Ravnopravie Faction (Equal Rights), Konstantin Matveyev, pointed out that the said codicil could be applied to seamen of the Latvian Steamship Company for whom residence permits had been waived last may under the ruling of the Latvian republic's administration. The codicil applying to permanent residents who are not citizens of the Latvian republic caused some heated debates. The Chairman of Ravnopravie Faction, Sergey Dimanis, told the press that the adoption of that codicil is another stage of creating discomfort for non-citizens and would provoke great social tension. The representative of Satversme, whose representatives in the main made up the working group to develop the draft resolution, Janis Vayvods, told the press that the legitimacy of the state of every USSR citizen in the territory of the Latvian republic must be established by the residents' register. According to Satversme top-ranking officials, it interprets the problems of granting entry and residence visas of the Latvian republic to its non-citizens within the context of decolonisation problems.